



AMERICANS for TAX REFORM

February 21, 2018

The Honorable Paul D. Ryan
Speaker, United States House of
Representatives
H-232, The Capitol
Washington, D.C. 20510

The Honorable Mitch McConnell
Majority Leader, United States Senate
S-230, The Capitol
Washington, D.C. 20510

The Honorable Kevin Brady
Chairman, House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Orrin G. Hatch
Chairman, Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20510

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Dear Speaker Ryan, Leader McConnell, Chairman Brady, and Chairman Hatch:

I write in opposition to increasing the federal gas tax. An increase in the gas tax will disproportionately harm low and middle-income families and will only encourage further wasteful spending.

Republicans have just passed tax reform that gave middle class tax relief to American families across the country. The legislation reduced the federal tax burden for a family of four earning \$73,000 by nearly 60 percent, resulting in a \$2,058 reduction in taxes. Similarly, a single parent with one child earning \$41,000 per year will see tax reduction of 73 percent, resulting in a \$1,304 tax cut.

Raising the gas tax will directly undermine these gains and would predominantly falls on middle and low-income American families. According to Strategas Research, a gas tax increase of \$0.25 per gallon would increase taxes on consumers by \$37 billion next year.

If combined with an anticipated \$0.20 per gallon increase from rising gasoline prices, consumers will pay \$71 billion more for gasoline next year, wiping out 60 percent of the \$120 billion in tax cuts contained in the Tax Cuts and Jobs Act.

Instead of increasing taxes on consumers, Congress should prioritize cutting wasteful spending. While supporters of a gas tax increase argue that it is needed to pay for roads and bridges, the Highway Trust Fund, which is financed by the gas tax, is frequently pillaged for projects unrelated to its purpose.

A recent report by the Government Accountability Office (GAO) [found](#) that more than 50 percent of the HTF spending went to non-road-related projects, while 15 percent of federal gas tax revenue is diverted to the [Mass Transit Account](#), which supports local bus and light rail services, while an additional \$850 million is spent on recreational trails and beautifying streets. HTF funds have even been used on [squirrel sanctuaries](#) and to finance driving simulators.

Lawmakers can find further savings through suspending the Davis-Bacon Act, which needlessly increases the cost of infrastructure projects. The Davis Bacon Act requires contractors working on government projects to be paid “prevailing wage.” However, the Department of Labor uses a highly flawed methodology which sets prevailing wages 22 percent above market rates. In 2011 alone, Davis-Bacon added \$11 billion to the deficit.

Rather than asking taxpayers to foot the bill for more wasteful spending, Congress should prioritize meaningful reforms to the HTF to end the cycle of wasteful spending on projects unrelated to rebuilding America’s roads and bridges.

A vote to increase the gas tax will only perpetuate further wasteful spending and will undermine middle class tax relief gained from passing tax reform last year. Rather than increasing taxes on consumers to fund infrastructure, I urge you to prioritize spending reforms that ensure existing revenues are wisely spent.

Onward,

Grover G. Norquist
President, Americans for Tax Reform

Cc: All Members of the U.S. House of Representatives and U.S. Senate