



## Iowa lawmakers not giving up on gas tax idea

By MIKE GLOVER , 01.29.09, 02:27 PM EST

Iowa legislative leaders refused Thursday to drop the idea of increasing the state's gasoline tax, even though Gov. Chet Culver has made it clear he opposes the move.

Culver's proposed budget doesn't include a gas tax increase, and the governor has told reporters that raising taxes during a recession would be a mistake. Culver declined, however, to say whether he would veto such an increase.

Meeting with reporters Thursday, Democratic legislative leaders said they interpreted the governor's position as leaving open the option.

"It still seems to me there's a willingness to listen to the Legislature on this," said House Majority Leader Kevin McCarthy, D-Des Moines.

Last year, Culver said he would veto a gasoline tax increase, prompting the Legislature to instead raise a series of registration fees to finance highway construction.

House Speaker Pat Murphy, D-Dubuque, said Democrats are exploring the matter.

Supporters of the move note that Iowa is an estimated \$200 million short of the money needed annually to maintain Iowa's highway system. Backers of a gas tax increase contend that truckers motoring along the state's interstate highways would pay much of the bill.

### **Comment On This Story**

"There are numerous people working on that issue now and we have had initial discussions with Republicans," Murphy said.

Driving the debate is a state budget that's been hammered by a deepening recession. In proposing a new state budget this week, Culver called for \$400 million in spending cuts and dipping into cash reserves for another \$200 million.

Some worry more tough times may be looming. In March, a panel of budget experts will issue a revised prediction of what the recession would mean for state revenues, and many lawmakers are bracing for bad news.

That would put Culver and lawmakers in the position of reducing spending or increasing tax dollars, and both are being careful not to rule out any options.

"Those issues will probably remain more in March and April than January and February," said Murphy.

Senate President Jack Kibbie, D-Emmetsburg, has long supported a gasoline tax increase, and he promised not to give up until Culver issues a veto threat.

"I've declared war," said Kibbie. "He hasn't said no in my presence."

*Copyright 2008 Associated Press. All rights reserved.*