



Gas tax increase introduced in both chambers

Proposal would increase tax by 8 cents per gallon over two years

By [Jason Hancock](#) 2/11/09 11:16 AM

Bills that would increase the state's fuel tax 4 cents now and another 4 cents in 2010 have been introduced in both the House and Senate Transportation Committees.



[Senate Study Bill 1182](#) and [House Study Bill 164](#) both call for money raised to be put into the TIME-21 fund, a pool of money created to fund critical infrastructure needs around the state. Senate Transportation Committee Chairman Tom Rielly, D-Oskaloosa, said any money raised up to \$200 million would go to the fund, with the remainder going into the state's road and bridge fund.

Rielly said [studies have shown a 10-cent increase in the gas tax](#) would bring around \$210 million to state infrastructure funds. By that math, the combined 8-cent increase would eventually raise nearly \$170 million annually. Iowa motorists now pay estimated state taxes of 21 cents per gallon for regular gasoline; 19 cents per gallon for ethanol-blended gasoline; 17 cents per gallon for E-85 fuel; and 22.5 cents per gallon for diesel fuel.

The state hasn't raised the tax since 1989.

Democratic legislative leaders have been joined by a broad coalition of interest groups, including the Iowa Farm Bureau and local chambers of commerce, in advocating for a gas tax increase. Democratic Gov. Chet Culver and Republican legislative leaders have

said they don't want to raise any taxes during a recession, with Culver favoring his \$700 million bonding plan to fix Iowa's crumbling infrastructure.

Iowans for Tax Relief, a conservative group with a lot of influence in the Republican Party of Iowa, originally declared it would not take a position on the gas tax. The group's President Ed Failor Jr. told The Des Moines Register the gas tax increase was not a bad concept since the government's primary role is to take care of roads and the money is Constitutionally protected from being spent on anything except road and bridge repair.

However, lobbyist declarations on the House bill show [Iowans for Tax Relief has changed its mind](#) and is now against an increase to the gas tax.