



Federal Gas Tax Freeze Leads To Boost In State Gas Taxes

(May 21, 2007)--A cash crunch is fast approaching for the government trust fund that pays to build and repair highways and bridges.

The federal tax on a gallon of gas hasn't risen in 14 years, and Congress is reluctant to increase it.

People are demanding more fuel-efficient vehicles and with less gasoline used, there are fewer dollars for the highway trust fund.

States already are looking for other places for road-building money including road tolls and consumption-based sales taxes.

They worry that the fund's looming shortage could hurt their efforts to address traffic congestion as well as environmental and safety problems caused by inadequate roads.

The situation can only get worse in 2009, when revenues for the Federal Highway Trust Fund begin falling short of planned federal spending.

The fund provides the overwhelming bulk of federal dollars spent on highways.

It gets its money mainly from the 18-point-four-cents-a-gallon excise tax that drivers pay at the pump.

About 45 percent of all highway spending comes from the trust fund.

With less money available from the fund, states must turn elsewhere for money to expand their highways and fill their potholes.

That prospect is making lots of people unhappy.

Texas is one of several states that have built or are building high-occupancy toll lanes where drivers can pay to have a congestion-free path before them. With the population of Texas increasing by a thousand people a day, state transportation officials say they can't afford to postpone road projects.

Source - **Gray Television Group, Inc.** -