



WA Hidden Gas Taxes

Vote NO HB 3181 and SB 6851

HIDDEN GAS TAX: THE SEQUEL - EVEN BIGGER THAN BEFORE!

MTCA INCREASE IS A GENERAL FUND BAILOUT MASQUERADING AS ENVIRONMENTAL ACTION.

Even proponents acknowledge that two-thirds of the money raised by their proposal would go not for stormwater clean-up or any other environmental program, but straight to the general fund.

ENVIRONMENTAL PROGRAMS HAVE ALREADY BEEN RAIDED FOR THE GENERAL FUND.

This is a continuation of a budget shell game the Legislature began last year when it raided the hazardous substances account to the tune of \$180 million and the Governor has proposed sweeping another \$80 million this session. Simply **allowing that money to be used as originally intended would provide more money for more clean-up work than provided by this bill.**

MTCA INCREASE IMPOSES AN EVEN BIGGER HIDDEN TAX ON WASHINGTON DRIVERS - AT A COST OF MORE THAN \$1.8 BILLION OVER THE NEXT DECADE.

Increasing the MTCA tax to 2.0 percent increases the tax from the current \$115 million to \$340 million per year, with approximately 83 percent coming from petroleum products and ultimately Washington consumers as a hidden gas tax. **The increase on petroleum alone is more than \$186 million annually, or more than \$1.8 billion over the next decade.** The higher costs, in whole or in part, **will be felt in the form of higher prices at the pump or lost jobs or both.** The remaining \$38 million will be imposed on household cleaners, lawn and garden materials, and other household products. With many Washington families struggling to cope with a weak state economy, now is not the time to be increasing their consumer costs or threatening key manufacturing jobs.

HIDDEN GAS TAX HURTS WASHINGTON FAMILIES AND DESTROYS JOBS.

Washington families already are hurting from the recession with unemployment and home foreclosures on the rise. And they **already pay the highest fuel taxes in the Northwest**, and one of the highest in the country at 37.5 cents per gallon. In a February 5, 2010 memo, the state Department of Revenue estimates that the effect of the tax increase proposed in HB 3181/SB 6851 "works out to be about 3 cents per gallon of gasoline." Higher taxes on gas **especially hurt low-income families** who pay a larger share of their incomes for fuel. Drivers in Washington shouldn't be forced to pay billions more in higher fuel costs because the legislature has used the money they've already paid into the hazardous substances fund for other uses.

TAX HIKE IMPOSES "SOLUTION" BEFORE DEPARTMENT OF ECOLOGY HAS DEFINED THE PROBLEM.

The MTCA proposal, like HB1614 before it, puts the cart before the horse by arbitrarily taxing motorists before completing the scientific analysis of stormwater contaminants already underway. The Department of Ecology recently concluded that their **initial estimate of storm-water run-off was overstated by some 67 percent and their initial estimate of petroleum products in that run-off was overstated by some 40 percent.** Since not all contaminants have the same impact, the toxicity analysis scheduled to be completed this June is critically important. In other words, answers to key questions needed to design an effective stormwater program won't even be available until later this year.

MTCA INCREASE ERECTS STOP SIGN FOR TRANSPORTATION FUNDING.

The proposal to triple the MTCA tax is likely to drive up gas and diesel prices at the pump. Higher gas prices to pay for non-transportation projects likely would **make it more difficult to raise funds for vitally needed transportation projects in the future.** Voters have demonstrated a willingness to pay more if the money is clearly going to fix roads, will not be as supportive if they are first forced to pay more for other, non-transportation uses.