

Proposed gas tax increase receives pushback

The 45-cent increase would raise approximately \$2.1 billion

[Tri-County Times](#) | [Fenton, MI](#) Hannah Ball Staff Reporter |



Robert Dietrich of Argentine Township pumps gasoline at the Fenton Silver Parkway VG's. Times file photo

Gov. Gretchen Whitmer proposed a 45-cent per gallon increase on the gas tax in Michigan to raise more than \$2 billion to fix the roads.

The increase would be phased in over one year. The first 15-cent increase would take effect Oct. 1, followed by the second 15-cent hike on April 1, 2020, and the third on Oct. 1, 2020.

The Detroit Free Press estimates the change would increase the cost of a 15-gallon fill-up by \$6.75.

The Senate Fiscal Agency estimates \$46 million annually would be raised for each 1 cent increase on the fuel tax. The 45-cent increase would raise approximately \$2.1 billion.

The state's fuel tax is currently 26.3 cents per gallon for regular and diesel fuel. Michigan also charges a 6-percent sales tax on gasoline in addition to state fuel taxes, but the sales revenue isn't dedicated to the roads.

Last fall, the Michigan Department of Transportation said 79 percent of Michigan's state-maintained roads were in good or fair condition in 2017, which is down from its goal of 90 percent. Poor road conditions are costly for drivers. According to a report by TRIP, a transportation research group, drivers pay an estimated \$686 per year on average in extra costs on tires, vehicle repairs and more.

Former Gov. Rick Snyder's 21st Century Infrastructure Commission said Michigan needs an additional \$2 billion for roads every year.

Whitmer campaigned on fixing "the damn roads." Her plan to accomplish this goal was met with controversy and will face a Republican-controlled legislature.

State Rep. Mike Mueller (R- Dist. 51) said in a statement, "While I appreciate the governor's overall policy objectives, I am troubled by her plan to further burden families and small businesses with excessive taxes. The cost of driving in Michigan is already far too high with our current auto no-fault system, and under the governor's budget proposal, we would pay the highest fuel taxes in the nation."

Mueller said, "Those are not things we want to be first in, and it's not the direction we should be taking our state. With that being said, I am looking forward to working with my colleagues in the House to find solutions to our roads that do not break the backs of Michiganders."

Laura Cox, chairwoman of the Michigan Republican Party and former chair of the House Appropriations Committee, called the proposal "a \$2-billion tax increase that will break many Michiganders' budgets," according to the Detroit Free Press.

Whitmer's announcement comes after a group of bipartisan lawmakers said they have a plan to raise more than \$2.5 billion for Michigan roads by implementing a nearly 50-cent gas tax increase spread out over nine years.

What happened to the 2015 fuel tax?

Lawmakers passed a \$1.2-billion-a-year plan in 2015 under former Gov. Rick Snyder, which raised the fuel tax and registration fees to generate money for roads. The plan won't be fully implemented until 2021. It's expected to raise approximately \$880 million this year. Officials from the Michigan Department of Transportation said the 2015 plan was not going to be sufficient to solve the state's road problem.

The most recent increase in fuel taxes due to the 2015 plan was on Jan. 1, 2017. Taxes on regular fuel increased 7.3 cents per gallon and tax on diesel fuel increased 11.3 cents per gallon.