

Missouri rebate bill filed to persuade voters to pass ‘voluntary’ gas tax increase

By John Haughey | The Center Square | February 8, 2021



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(The Center Square) — Attempts to raise Missouri’s gas sales tax have flamed out since it was last increased in 1996 but now, with the state ranking in the bottom five nationally in road funding, key lawmakers argue it is imperative to do so in 2021.

Missouri Senate President Dave Schatz, R-Sullivan, has filed Senate Bill 262, which would increase the state’s motor fuels tax by 2 cents annually beginning July 1, 2021, for five years until it reaches 27 cents a gallon in 2026. Rep. Steve Butz, D-St. Louis, has introduced a similar House proposal, House Bill 114.

If adopted, the measures must be approved by voters in a referendum. In 2014 and 2018, lawmakers agreed to increase gas taxes but voters said no.

SB 262 was heard Feb. 2 before the Senate Transportation, Infrastructure & Public Safety Committee without a vote. HB 114 is not on a committee calendar.

Sensing a familiar logjam, a veteran legislator has introduced a bill based on a South Carolina measure to make paying the increased gas sales tax “voluntary” by providing refunds.

House Transportation Committee chair Rep. Becky Ruth, R-Festus, has filed HB 1044, which she told The Missouri Times “is a little unique because it is more of a voluntary gas tax rather than mandatory.”

Under HB 1044, she said, “If you decide you want your money back, and it’s only on the amount of the new tax, then you can save your documentation and get your money back.”

Ruth’s bill would increase the gas tax by 2 cents a gallon on Jan. 1, 2022, and then by 2 cents per gallon annually for five years until it reaches 29 cents a gallon in 2027.

Under the bill, an individual can claim refunds of additional gas tax paid for up to two vehicles a year. One vehicle, however, can only be claimed by only one person a year.

Rebate applications would be filed annually by April 15. They must include receipts, invoices or other documentation.

“We are in desperate need of funding for our roads and bridges, but we also know a significant portion of Missourians don’t support an increase to our fuel tax,” Ruth said. “By giving taxpayers the option to obtain a rebate, we can strike a balance that generates the funding we need while also protecting taxpayers who don’t want to see their tax bill go up.”

Schatz called HB 1044 a “very creative idea” and confirmed he had spoken with Ruth before she filed the measure and will continue to collaborate with her.

Missouri’s 17 cents a gallon gas tax is the nation’s second-lowest behind only Alaska’s 14 cents per-gallon tax.

Missouri’s 33,800 miles of roads is the nation’s seventh largest while its road funding ranks 45th of all 50 states.

The state has between \$8 billion and \$10 billion in “unfunded” road needs but, at 17 cents per gallon tax, MoDOT maintains it only has the purchasing power of 6 cents per gallon.

Missouri drivers lose an estimated \$8 billion annually in lost productivity and automobile operating costs because of poor road conditions, according to TRIP, a Washington, D.C., research nonprofit.

“Due to inadequate state and local funding, 52 percent of major roads and highways in Missouri are in poor or mediocre condition,” TRIP’s December 2020 report said, noting “driving on rough roads costs the average Missouri driver” from \$1,514 a year each in the Columbia-Jefferson City area to \$1,917 each annually in the St. Louis area.

Show-Me Institute analyst Jakob Puckett in Jan. 8 commentary said \$745 million in road projects go unfunded annually and suggested Missouri adopt South Carolina’s rebate system as well as consider indexing gas sales taxes to keep pace with inflation.