

## House Republican Press Release

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### Adinolfi: Hidden Gas Taxes Spiral Up Under Democrats



#### ***NO RELIEF IN NEW FISCAL YEAR***

HARTFORD - State gas taxes will continue to increase because Democrats have refused to cap the price at which the gross receipts tax kicks in, said Representative Al Adinolfi (R-103) who joined House and Senate Republicans this week calling for a special session to address rising gas taxes.

In effect, Connecticut places a “tax on a tax” for fuel and other services that reap million from consumers without them fully understanding how the tax system works. The windfall gross receipts tax is estimated to produce an additional \$148 million more than budgeted this fiscal year. ***When the legislature convened Feb. 6 the wholesale price of gas was \$2.24 per gallon, but by 10 a.m. July 1, the price had shot up to \$3.56.***

With the onset of the new fiscal year that was supposed to keep gas taxes in check, the taxes levied at the pump continue to climb as the wholesale price increases, a trend that would have stopped had the Republican alternative fuel relief plan been adopted.

“It is a deception to sell what the legislature did last month in special session as a cut to the gas tax,” said Adinolfi. “Until the General Assembly takes some responsibility and caps the gross receipts tax on gasoline, Connecticut motorists will continue to pay the highest gas prices in the nation.”

Adinolfi noted that the June 11 special session was simply recessed and not formally ended and Republicans challenged the Democrats to resume work and cap the gross receipts tax.

The gross receipts tax was scheduled to increase today from 7 to 7.5 percent but that was scuttled when the legislature voted June 11 to delay the hike. But the effective rate of the gross receipts tax actually already is 7.5 percent because the state places a “tax upon the tax,” Adinolfi said.

“This tax is hidden, and built into the system that wholesalers pass right along to the retailers, and then to the consumer,” Adinolfi added. He also noted that since the legislature adjourned in May 7<sup>th</sup>, gasoline prices have increased an average 4 cents per gallon.