

House Republican Press Release

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REP. GIEGLER: HIDDEN GAS TAXES SPIRAL UP
Area Legislator Calls For Special Session To Limit State Levy



HARTFORD- State gas taxes will continue to increase because the majority of state legislators have refused to cap the price at which the gross receipts tax kicks in, said State Rep. Janice Giegler (R-Danbury, New Fairfield) at the start of the new fiscal year. Rep. Giegler voted to cap the wholesale price of gasoline during the General Assembly's June 11 special session but the measure was defeated in a largely party-line vote. She noted the Legislature is still technically in special session and could meet on any day to enact the measure.

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 at 10 a.m. on 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.

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."

"When the Legislature met in special session last month, it only accomplished half the job," said Rep. Giegler. "Capping the wholesale price of gasoline is one of the few ways the state can impact gas prices and there is no doubt that is the number one issue on the minds of people in our communities this summer. It is irresponsible to ignore this situation, especially due to the financial impact this increase is having on families and businesses."