

House Republican Press Release

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REP. RYAN VOTES TO STOP GAX TAX INCREASES



HARTFORD - State Rep. John J. Ryan (R-Darien, Rowayton) last week voted to stop the scheduled July 1st increase to the gross receipts tax on gasoline in the Legislature's General Law Committee.

Rep. Ryan voted for the amendment to Senate Bill 521, An Act Concerning Price Gouging, which unanimously passed the committee, would also prohibit future increases on the tax from occurring. Since 2005, the tax has increased three times and is scheduled to be increased another two times in the next five years.

The Democratic supermajority must comprehend that this tax is among the most onerous to commuters of Connecticut. It also makes it more difficult to turn our economy around because of the burden it places on business", said Rep. John Ryan.

The Gross Receipts tax is charged to wholesalers, who in turn build it into the prices they charge consumers. According to the Independent Connecticut Petroleum Association, the tax adds about 19.63 cents to every gallon of gas purchased on top of the 25-cent flat tax.

Also, according to ICPA figures, Connecticut's total gas tax burden is ten cents higher than the next highest tax-charging state in the region - New York - at 63 cents.

Rep. Ryan said that since 2005 the state has taken in an additional \$141 million from the gross receipts tax. In 2008, the state expects to take in a record \$320 million from the tax. The current tax rate is 7%, up from 6.3% last year. The scheduled July 1st increase would raise the rate up to 7.5%. According to AAA, the current statewide average for regular unleaded gasoline in Connecticut is \$3.37 a gallon compared to \$2.71 cents a year ago. When combining

the tax per gallon along with the gross receipts tax and federal taxes, Connecticut has the highest gas tax in the northeast.

Lower Fairfield County currently has the highest gas prices in Connecticut, anywhere from \$3.30 to \$3.60 per gallon.