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GAS TAX HOLIDAY NOT THE PANACEA DRIVERS NEED AT THE FILLING STATION

EDITORIAL

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Having a gas tax holiday is a popular subject in the halls of Madison, around water coolers and on talk radio lately. However, while it seems like a good idea to provide temporary relief to drivers, an in-depth look reveals how little (if any) help consumers would actually receive and how much it could hurt an already leaky state transportation fund that possesses precious few revenue possibilities.

According to Wisconsin's Transportation Development Association, the gas tax makes up 64 percent of state transportation revenue and 36 percent of all transportation funds in Wisconsin. Other than that, vehicle registration is the other major source of that money. So, a gas tax holiday that lasted from September to January would cost the transportation fund around \$175 million. That's money used to plow snow, fill pot holes, battle congestion and improve the overall safety of our roads.

Added to that revenue loss is the potential to lose \$70 million yearly (or \$350 million over five years) in federal funding due to a clause in a bill that stipulates that our gas tax must be 50 percent more than the federal gas tax and be indexed in order to receive extra funding from Washington.

Plus, the high cost of gasoline doesn't stem so much from indexing as it does the law of supply and demand. Prices have risen more than \$1 from last year, while indexing cost drivers 8/10th of a cent more from 2004.

Ultimately, gas tax holidays amount to nothing more than political ploys that rarely pass any real savings on to burdened drivers, as consumers found out for themselves recently in Illinois, Indiana and Georgia. The problem is that even with gas taxes lowered or repealed, nothing holds the individual filling stations from raising their prices to reap that extra money in untaxed revenue.

If politicians sincerely want to battle the high cost of gasoline and help their constituents, then they need to investigate the flow (and price markup) of oil from the ground to refineries and to the gas stations. Let's not hurt our transportation fund's main source of revenue in the name of gaining political capital and a few votes.