

Senate president will fight gas tax cap

Small yearly rise helps road funds, Lasee says

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Madison - The state Senate president said Monday that he expects the full Senate to pass a bill repealing the annual April 1 inflationary increase in the gas tax, though he and another Republican leader will fight it.

Senate President Alan Lasee (R-De Pere) called the scheduled vote today on a bill (SB 331) being pushed by some of his fellow Republicans a "phony issue" because the annual automatic change in the gas tax costs the average Wisconsin driver only \$4 or \$5 more each year.

The gas tax "is probably the fairest tax we have in the state," Lasee said.

He said keeping the spring adjustment for inflation is one way to ensure that there are enough funds to rebuild highways statewide and that expensive projects in southeast Wisconsin stay on schedule.

"How does out-state Wisconsin get its fair share, other than to make sure there's enough money" in the transportation fund, said Lasee, who acknowledged that he has a major road project waiting to be built in his northeast Wisconsin district.

The gas tax rose by 81% - from 16.5 cents to 29.9 cents per gallon - over the last 20 years, giving Wisconsin one of the highest gas taxes in the nation. The largest source of state transportation funds, the tax is unpopular because of recent record-high gas prices. The tax is expected to cost drivers \$1 billion next year.

In related developments Monday:

- Fourteen of 21 senators surveyed, either personally or through aides, said they plan to vote to repeal the automatic gas tax change - close to the 17 votes needed to pass the bill in the 33-member Senate. Several Democrats said they plan to vote against it; others were not available for comment.

- Senate Majority Leader Dale Schultz (R-Richland Center) said he will join Lasee in voting against the bill, which leaders of construction and labor groups rallied against in the Capitol on Monday. Republicans control the Senate by a 19-14 margin.
- Assembly Speaker John Gard (R-Peshtigo) said Milwaukee-area legislators should be concerned that shortfalls in the transportation fund caused by an elimination of the automatic gas tax increase could delay two costly road projects - the rebuilding of the Zoo Interchange in western Milwaukee County and of I-94 between Racine and Milwaukee.

Gard said legislators "from the north are not about to walk away from their constituents" and will not accept new delays in long-planned highway projects, including U.S. Highway 41 between De Pere and Suamico. Gard said he has been fighting for that project since he was elected to the Assembly in 1987.

Gard said diverting future sales tax collections to offset any loss of transportation funds caused by ending the automatic adjustment would be one solution, but he did not know if that change will be debated in the Senate. But diverting sales tax collections, without replacing them, would threaten other state programs.

Bill sponsor Sen. Tom Reynolds (R-West Allis) said he hopes the measure passes, but he had not polled his fellow senators on it.

Reynolds also said he would consider a possible change like the sales tax shift suggested by Gard.

But any transfer of new cash to the transportation fund must come from a "currently existing tax," Reynolds said.

On Monday, leaders of more than 12 construction, business, labor and bus system groups rallied in the Capitol against the Reynolds bill.

That \$4 average annual cost to keep the gas tax in pace with inflation amounts to the price of a McDonald's meal, said Bob Cook, executive director of the Transportation Development Association.

Cook said state income tax collections will automatically go up by \$358 million next year, and sales tax receipts by \$177 million - increases that dwarf the expected rise of \$39 million in the gas tax.

Leaders of county and town governments said that if indexing is repealed, they would have less state aid for such things as plowing snow. As a result, they said, property taxes may have to go up.

Stacy Forster and Patrick Marley of the Journal Sentinel staff contributed to this report.