



## **Opposition to Gas Tax Suspension and 2% Indexing Cap**

We, the undersigned organizations representing citizens, businesses, employees and travelers throughout Virginia, strongly oppose the proposed suspension of the Commonwealth's gasoline tax. We also oppose the proposed permanent 2% cap on its annual indexing for inflation.

Over the last few months, we have seen firsthand the impact of the rising cost of living on Virginia citizens. We support the Commonwealth's commitment to easing that burden and helping everyday Virginians make ends meet.

However, the proposed suspension of the gasoline tax over a period of five months is not an effective way to provide needed relief to Virginia residents. Due to the lack of transparency and market fluctuations of gasoline prices, there is no way to guarantee that gasoline tax savings will be passed on to Virginia consumers. History proves gas tax changes are reflected in prices for only a few days and any price relief seen by drivers is a small fraction of what the oil companies should be giving them. Furthermore, Virginians will lose out on the significant gasoline tax revenue paid by out-of-state drivers filling up in the Commonwealth.

The gasoline tax is one of the top three dedicated sources of Virginia transportation funding. This user fee is directly reinvested into maintaining and improving our multimodal transportation system including roadways, bridges, ports, airports, rail, transit, bike, pedestrian, and transportation technology infrastructure. Capping annual indexing means the revenue source will fail to keep up with the cost of materials and services supporting maintenance and operations of the system. This is not a long-term response we should want for transportation.

Virginia's willingness over the last decade to invest in transportation has been critical to our quality of life, economic success, and prosperity. The revenues lost from suspending the gas tax significantly exceeds the amount of new federal infrastructure revenue that Virginia's transportation fund is expected to receive in FY2023. With transportation costs skyrocketing and long-term cost estimates uncertain, now is not the time to eliminate vital transportation dollars.

Permanently capping fuels tax indexing at 2% would be a step backward. Indexing was adopted in 2020 and a 2021 JLARC study found this change further diversified the state transportation revenue base and concluded that as a result "Virginia's transportation infrastructure is in better condition than most other states."

Virginia citizens rely on our transportation network daily for access to jobs, opportunities, healthcare, recreation, and more. We urge Governor Youngkin and the Virginia General Assembly to instead focus on transparent, effective ways to reduce the everyday costs of ordinary Virginians rather than causing long-term harm to our transportation system.

ACEC Virginia  
Associated General Contractors of Virginia  
Heavy Construction Contractors Association  
Old Dominion Highway Contractors Association  
Precast Concrete Association of Virginia  
Sierra Club, Virginia Chapter  
Southern Environmental Law Center  
The Commonwealth Institute  
Virginia AFL-CIO  
Virginia Asphalt Association  
Virginia Association for Commercial Real Estate  
Virginia Bicycling Federation  
Virginia Interfaith Power & Light  
Virginia Railroad Association  
Virginia State Building and Construction Trades Council  
Virginia Transit Association  
Virginia Transportation Construction Alliance  
Virginians for Better Transportation  
Virginians for High Speed Rail  
ACEC Metro Washington  
Active Prince William  
Alexandria Chamber of Commerce  
Apartment and Office Building Association  
Arlington Chamber of Commerce  
Brotherhood of Locomotive Engineers and Trainmen / IBT  
Clean Fairfax  
Coalition for Smarter Growth  
Committee for Dulles  
Dulles Area Association of Realtors®  
Dulles Area Transportation Association  
Dulles Regional Chamber of Commerce  
Greater McLean Chamber of Commerce  
Greater Reston Chamber of Commerce  
Greater Richmond Association for Commercial Real Estate  
Greater Springfield Chamber of Commerce  
Greater Washington Board of Trade  
Greater Washington Partnership  
Greater Williamsburg Chamber of Commerce  
Hampton Roads Association for Commercial Real Estate  
Loudoun Chamber of Commerce  
Lynnhaven River NOW  
Mount Vernon Lee Chamber of Commerce  
NAIOP Northern Virginia  
Northern Virginia Association of Realtors®  
Northern Virginia Building Industry Association  
Northern Virginia Chamber of Commerce  
Northern Virginia Technology Council  
Northern Virginia Transportation Alliance  
Northern Virginia Transportation Authority  
Northern Virginia Transportation Commission  
Prince William Association of Realtors®  
Prince William Chamber of Commerce  
Richmond Area Municipal Contractors Association  
Rockbridge Area Conservation Council  
RVA Rapid Transit  
The 2030 Group  
Washington Airports Task Force