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Subject: Gas Tax Hike Proposed - What Do You Think?

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Gas Tax Hike Proposed - What Do You Think?

Dear Friends:

Let's start with the agreement that something must be done to repair SC's road infrastructure.

A prescription to fix South Carolina's deteriorating roads was put forth this week by SC House Republican leaders. The plan ([H.3516](#)) would raise the 16.75-cent-a-gallon gas tax by 10 cents - increasing it by 2 cents a year over five years. When fully phased-in, the increases proposed would raise about \$600 million a year to repair the state's crumbling roads and bridges.

The Plan

The legislation includes:

- Raising the motor fuel tax 2-cents per year over five years.
- Increasing the sales tax cap on vehicle sales to \$500 from \$300.
- Enacting a \$60 fee for hybrid vehicles and a \$120 fee for electric vehicles. Both fees, for vehicles that use less gas but still use S.C. roads, would be paid every two years.
- Requiring motorists who move to South Carolina and register their vehicles in the Palmetto State to pay a \$250 fee.

Endorsements Come Fast

The state's oldest taxpayer watchdog group, South Carolina Taxpayers Association, announced its support. "Well naturally, our membership doesn't like any tax increase, but we also realize the roads do need an increase in funding, and so unfortunately, the gas tax is really the best way to get that," said Don Weaver, President, SCTA.

The SC Chamber of Commerce was quick to endorse the tax plan. Chamber CEO Ted Pitts said, "This funding proposal provides a long-term sustainable solution, and adequately captures out of state trucks and motorists who use our roads. It does all this in a responsible, phased in approach."

The South Carolina Alliance to Fix Our Roads', a non-partisan organization made up of business leaders from around the state, also endorsed the plan. "This legislation is a significant step in the right direction that we fully support," said SCFOR President Bill Ross.

Political Realities

The prospect of raising SC's gas tax - the second lowest in the nation - is difficult. Republicans dominate the legislature where a basic GOP political tenet has been "no new taxes."

House Speaker Jay Lucas, a chief sponsor of the funding bill, said, "For far too long, South Carolina's taxpayers have been the ones to solely foot the bill to repair our crumbling infrastructure. This legislation removes that burden and appropriately places it on every motorist who drives on South Carolina interstates and highways."

A key player in the mix is soon-to-be Gov. Henry McMaster, who has the power of the veto. He has not said whether he supports increasing the state's gas tax.

No Off-Setting Tax Cuts

The new House road funding plan does not include tax cuts to balance the proposed fuel tax increase. Last session, House legislation proposed a cut in state income taxes to accompany that proposed gas tax hike.

In my view, South Carolina's tax structure should be central to this road funding discussion. Our tax laws are antiquated and unfair. They reward some and punish others. In particular, taxes are extremely harsh on businesses, both small and large, making it difficult for them to prosper and grow.

I serve on the special House Tax Policy Review Committee. Our charge is to review SC's current tax code and submit suggestions for reform. In establishing the committee, Speaker Lucas stated, "Our outdated tax code needs a dramatic transformation in order to promote economic competitiveness and increase the size of our citizens' paychecks. Achieving this difficult task is long overdue, but necessary to ensure our tax code is fair for our taxpayers. He added, "We want a broader and flatter tax code that will help continue to spur job growth and provide greater opportunities for South Carolina families. "

I couldn't agree more! Revising our tax code is a daunting task, but it is an integral part of this discussion on how best to provide funding to fix our roads.

Time to Be Bold

While we all want better roads, I hear the outcry from many citizens who oppose any tax increase. They want state government to be more efficient. That's a justifiable request. Government must always strive to spend taxpayer's money wisely.

In my view, it's time to be bold. The structure of state government desperately needs remodeling. We must challenge the way government does its business; eliminate the unnecessary and properly fund the vital functions of government.

In fairness, state government has gotten leaner over the past two decades. At its peak, SC state government employed more than 41,000 people in 1996. Today, there are about 34,000 employees - a 17% decrease. Meanwhile, the state's "customer" base has grown significantly. During the same 20 years our state's population has increased an estimated 31% to nearly 5 million people.

It's clear that the more money government collects, the more it spends. Since the low point of the 'Great Recession' (2009-10), the total state spending budget has increased 34 percent to \$26.4 billion. As part of that, the General Fund budget, which funds schools and regular state government functions, has increased 45%, from \$5.2 billion to \$7.6 billion.

Tell Me What You Think

My social media postings this week on the proposed tax hike quickly garnered hundreds of comments. I welcome your opinion. Send me an email at: Bill@TaylorSCHouse.com. I anticipate an avalanche of responses so I won't be able to respond individually, I do promise to read and take to heart every comment as we proceed with this debate.

Proud to Serve You!

I am proud and humbled to serve as your State Representative for House District 86. Thank you for allowing me to continue in my service to you as a Strong Voice and Effective Leader.

In your Service,

Photo of the Week

Bill Taylor

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Representative
South Carolina General
Assembly

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