

May XX, 2003

The Honorable Dennis Hastert  
Speaker  
H-232 Capitol Building  
Washington, D.C. 20515

The Honorable Tom DeLay  
Majority Leader  
H-107 Capitol Building  
Washington, D.C. 20515

Dear Speaker Hastert and Majority Leader DeLay:

Thank you for your strong advocacy on behalf of taxpayers across the United States. Your leadership is vital to the ongoing efforts to reduce the tax burden on American citizens and reform of the cumbersome tax code. However, we are concerned by recent reports suggesting Republican support for efforts to raise the gas tax.

A gas tax increase is not only unsound economic policy; it undermines your efforts to institute the important tax relief measures in the President's Economic Growth Proposal. The American people need their tax burden lifted, not shifted.

While the war in Iraq came to a quick and decisive end, there still remains much uncertainty in the Middle East. Because of this uncertainty, the market for gasoline remains volatile and prices could increase with any fluctuations in the price of crude oil.

According to the Federal Highway Administration, the current federal tax is 18.4 cents per gallon, and state gas taxes average just over 22 cents. Based on this information, American taxpayers are currently paying more than \$50 billion annually in taxes on gasoline. This means that the average family's annual gas tax burden is \$660, and every penny increase in the gas tax raises that family's annual tax bill by \$25. If the current proposal to increase the gas tax by 5.4 cents is enacted, families could see their yearly tax burden increase by \$135. This would lead to a total gas tax of almost \$800 annually. In addition, the decision to index the tax to inflation creates an automatic tax increase that these families will be forced to pay each year.

The organizations listed below represent a wide coalition of citizen organizations dedicated to reducing the tax burden for all Americans, limiting the size of government, and defending freedom. We view efforts by the House Transportation Committee to raise the federal gas tax to be in direct opposition to these goals. We hope the House of Representatives will do the right thing, and help reduce the overall tax burden on the American people by stopping the current plan to increase the gas tax.

Sincerely,

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---

---