



Increased Fuel Prices

June 22, 2022

Gas prices have reached an all-time high, reaching a national average of \$5.01 per gallon for gasoline and \$5.77 per gallon for diesel fuel.

Some Members of Congress have proposed a national gas tax holiday. Cutting gas taxes or suspending the 18.4 cents-per-gallon federal gas tax on fuel may look like an easy solution to provide consumers and industries relief at a time of record-high gas prices. The reality is the benefit to the consumer at the pump is likely nominal and not guaranteed.

APTA urges Congress to fully fund the IJJA's public transit and passenger rail investments in the FY 2023 THUD Appropriations bill, to ensure transit agencies have the funding needed to provide Americans affordable, safe, and reliable mobility options during times of high gas prices.

APTA opposes efforts to eliminate or suspend the gas tax, a critical source of revenues supporting infrastructure investments in the Infrastructure Investment and Jobs Act (IIJA).

In its analysis, the American Road and Transportation Builders Association found that, on average, only **one-third** of an increase or decrease in state gasoline tax rates is passed through to consumers in the retail price on the day the change takes effect, with no significant impact after that time.

In addition, a **federal gas tax holiday would decrease the revenue that flows into the Highway Trust Fund**, which is used to pay for most federal surface transportation investments, including capital expenditures on buses, subways, light rail, commuter rail, ferries, and other modes of public transportation.

It would create uncertainty for public transit agencies at a time when these agencies are already grappling with supply chain constraints and inflation at a 40-year high. Additional burdens to transit agencies will disproportionately impact members of disadvantaged communities who rely on public transportation to commute to work and other opportunities.

Public Transportation— Critical Solution to High Gas Prices

Public transportation is a critical solution to high gas prices. Traveling by public transportation uses less energy and produces less pollution than comparable travel in private vehicles. **Public transit saves six billion gallons of gas each year.** To make progress in reducing our dependence on foreign oil and impacting climate change public transportation must be part of the solution.

APTA urges Congress to:

- Fully fund the Infrastructure Investment and Jobs Act's public transit and passenger rail investments in the FY 2023 THUD Appropriations bill; and
- Oppose efforts to eliminate or suspend the gas tax.