

She said what?

Statement by Jonathan Peltó

Former State Representative, in response to published report that:

Gov. M. Jodi Rell says she's willing to consider suspending a planned July 1 increase in one of the state's two gasoline taxes, if lawmakers help her find approximately \$25 million to cover the lost revenue.

“Every Connecticut resident should be outraged that Governor Rell stood by as Connecticut's Petroleum Products Gross Receipts Tax increased not once, not twice, but three times in last three years. However, even more incredible is her comment that she is only willing to consider suspending the gas tax increase scheduled for July 1, 2008 if legislators help her find \$25 million in cuts.

Connecticut's 2nd tax has already raised far more than the Governor or Legislature ever expected. Since the tax is levied as a percentage and not a flat rate tax, higher gas prices have meant that the Petroleum Products Gross Receipts Tax has brought in at least \$50 million more this year than had been budgeted and will produce at least a \$100 million extra in next year's budget.

Already, less than half of the money from the Petroleum Products Gross Receipts Tax goes to pay for transportation programs. In fact, since FY 2003, more than \$100 million in fuel tax revenue - A YEAR - has been used to pay for general fund expenses. At the pace gas prices have risen, approximately \$300 million dollars or more of next year's general fund budget will be funded by gas taxes. **Instead of identifying cuts, the Governor should be identifying what she will be doing with the extra funds, even if the July 1 tax increase is cancelled.**

While there is more than enough blame to go around on the gas tax issue, it is the truly astonishing and insulting that the Governor would rationalize her unwillingness to lead on this issue by claiming budget cuts are needed.

Of course, this isn't the first time that Governor Rell has failed to act to protect Connecticut citizens from excessive gas prices. In the spring of 2007, Rell called for the cancelation of the gross receipts tax increases scheduled for July 1, 2007 and July 1, 2008. Rell said "We are ramping up the pressure on the federal government to investigate the recent price spikes, but at the same time there are actions we can take at the state level to ease the burden for our consumers and businesses. People are sick of the talk. They want results. I will keep pushing until we get some relief." **(Rell Press Release 5/10/07)**

However, as has often been the case, the Governor failed to back her words with deeds“.

Jonathan Peltó served as a State Representative from 1985-1993. He is presently president of a small public relations company and like most Connecticut citizens; he’s “outraged” that Connecticut’s state policy has left Connecticut residents paying 27 cents more per gallon than residents of Massachusetts (and prices that are some of the highest gas prices in nation).