

Don't blame 'Big Oil' for Pa.'s higher pump prices

By Antony Davies & James R. Harrigan

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Pittsburgh received some good news last week as the price of gas fell to \$2.34 a gallon. Over the past year, the price of gas has fallen more than a dollar, and a whopping 50 cents-plus in the past month alone. But it should be quite a bit lower.

Gas prices in Pennsylvania are the fifth highest among the lower 48 states — not because of the oil companies but because of the Pennsylvania Legislature. Lawmakers usually incur voter outrage when they raise taxes, and gas taxes have just gone up in the Keystone State. But few voters are noticing because our legislators are hiding behind falling gas prices.

Our neighbors in Ohio are paying \$1.98. Virginians are paying \$2.05. Even in tax-crazy New Jersey, the price of gas is only \$2.11 — and that includes full service at every gas station in the state. Two states, Missouri and Oklahoma, are under \$1.80. That's almost 70 cents a gallon below Pittsburgh's average.

Had Pennsylvania not raised its gas tax in each of the last two years, we would be paying closer to \$2.28 a gallon today. This would still be higher than 34 states but a far cry from what we are paying now. But all we hear is the tired old refrain that Pennsylvania needs more of its citizens' money to repair its crumbling highways.

From 2013 through 2016, the Legislature raised gas taxes by nearly 90 percent. When will the taxes finally be enough to fix the problem? Can we now expect our roads and bridges to be 90 percent better than they were in 2013? Can we expect our highways to handle 90 percent more traffic? When the infrastructure is repaired, can we expect our gas taxes to drop 90 percent?

We know the answers to these questions just as surely as we know that the Legislature will spend the money irresponsibly then come back to us, looking for more.

Proponents are quick to point out that the taxes are levied on the oil companies and/or their wholesalers, not consumers.

But the oil companies simply pass the tax on to consumers. What else would they do? All the state can do is to designate from whom the tax is collected. It has no control over who actually foots the bill. While the price of gas in Pennsylvania fell 41 cents last month, it fell 48 cents across the rest of the country. What happened to our extra 7 cents? That's the “tax on the oil companies” that was passed on to consumers.

And before you say that “Big Oil” should absorb the cost of the tax instead of passing it along to consumers, consider this: For every dollar you spend at the pump, between 2 and 10 cents is profit for the oil companies, while 20 cents goes to Pennsylvania taxes. Our state government collects between two and 10 times as much from our gas dollars as do the oil companies. Big Oil could only dream of doing as well as big government does in the gas business.

We aren't the only state with roads and bridges.

Forty-three states maintain their roads with lower gas taxes than Pennsylvania, and it is high time we started asking how they manage it. It is also time we started asking our legislators why they don't ask that question themselves.

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