



When is it enough? Pennsylvania takes another dive into taxpayers' pockets

By Antony Davies & James R. Harrigan

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Gov. Tom Corbett recently signed a transportation bill that will increase gas prices by 10 cents per gallon this year, another 10 cents per gallon next year and 8 cents per gallon the year after that. Cheerfully signing the bill, the governor said, "There is barely a spot in Pennsylvania ... that will not see an improvement because of this legislation."

Right. If tax money fell from the sky, he'd have a point. But since it comes out of people's pockets, there is barely a spot in Pennsylvania that won't see people tightening their belts. Again. Everyone who depends on transportation, from driving to work to buying groceries trucked to stores, will pay.

As usual, politicians see only how they will spend people's tax dollars, never the hardship they place on people by raising them.

Politicians seem to believe that no matter how much you pay, it isn't enough. How do we know? Simple. For the past 25 years, Pennsylvania state and local governments have been spending almost \$4 billion more than they can afford — on average, every year. Today, Pennsylvania taxpayers owe almost \$130 billion or \$10,000 per person. And that doesn't include the debt that the federal government has piled upon us. Responsible politicians would be looking for ways to cut spending. But not Pennsylvania's politicians.

The governor and some legislators would have you believe that oil companies will absorb this new cost. But these companies have uniformly stated they will pass the new tax on to consumers. And why not? Compared to the federal and state governments, the oil companies are barely making a profit.

The average price of a gallon of gas in the Pittsburgh area is around \$3.40. Federal taxes are 18 cents per gallon. Pennsylvania taxes are 32 cents per gallon. And what about Big Oil? Its profit is around 5 cents per gallon. If Big Oil is a villain, what is Big Government?

To put this in perspective, state gasoline taxes range from a low of 5 cents per gallon in Alaska to a high of 50 cents per gallon in New York. Today, Pennsylvania's 32 cents per gallon is 15th highest among the 50 states. As of Jan. 1, Pennsylvania's tax will rise to fifth highest at 42 cents per gallon. But that's not all. The new law allows for further increases over the next three years so that, by 2017, Pennsylvania might have the highest gas tax among all the states at 59 cents per gallon.

Today, government makes 10 times as much on every gallon of gas sold in Pennsylvania as the oil companies do and this expense is passed on to you. When you pay the oil company, you get gas. When you pay the government, what do you get?

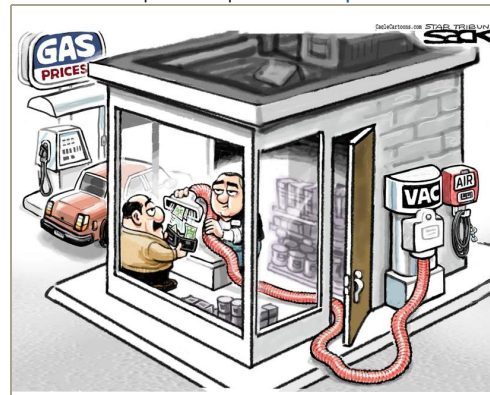
For an extra \$2 billion a year — a whopping 40 percent increase in PennDOT's budget — you should get quite a lot. And if we actually got \$2 billion in value, the new tax might be a price worth paying. Instead, we'll get the worst of both worlds. With a budget closer to being balanced, politicians won't be under pressure to hold down spending, which will rise to absorb the windfall. If history is any guide, we will end up back with the same deficits we have now. The only difference is that the taxpayers will be \$2 billion poorer every year, because giving a politician money is like giving an alcoholic whiskey. You know he will only want more. And we are left wondering, when will it be enough?

Antony Davies is associate professor of economics at Duquesne University. James R. Harrigan is a fellow of the Institute of Political Economy at Utah State University.

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