



Tax battle brewing on Beacon Hill

April 2, 2013

(NECN: Greg Wayland) - A tax battle may be brewing on Beacon Hill. Legislative leaders have unveiled a transportation financing plan that calls for \$500 million in new revenues, including increases in state gasoline and cigarette taxes.

The plan was announced Tuesday and rejects a \$1.9 billion dollar revenue plan proposed by Gov. Deval Patrick.

"These were not easy decisions," said Massachusetts House Speaker Robert DeLeo. But, said the House and Senate leaders, these are not easy times, either.

Their transportation funding plan limits tax hikes to tobacco and gasoline to avoid fare hikes and service cuts on transit lines. But the plan differs sharply from Governor Patrick's \$1.9 billion, 10-year transportation and education package that includes an income tax hike.

"Nobody wants to go over a bridge that's going to fall down so we want to invest in our infrastructure. We just have a different plan on how to do that," said Sen. Therese Murray.

"The Governor's been talking about the need for transportation revenue for a long time. I like to think of this as agreeing with the Governor, working with the Governor," DeLeo said.

The legislature's plan generates \$500 million in additional tax revenues by 2018, closing a \$300 million funding gap, hopefully leaving resources for infrastructure.

It raises the gas tax by three cents to 24 cents per gallon, raising \$110 million a year and costing the average driver \$30 a year.

It would raise taxes on tobacco, including cigars, cigarettes and smokeless tobacco, which would raise an estimated \$165 million a year and add a dollar to a pack of cigarettes.

Transportation and business lobbyists say this is just not enough revenue.

"This underpins our education system and our jobs and health care system and if we don't have adequate transportation then we're going to be falling further and further behind in the economy," said Kristina Egan with MassDOT.

"In fact, if you look at the gas tax since 1991, we've deferred 15 cents of gas tax revenues since that time," said Richard Dimino, CEO of A Better City.

Governor Patrick issued a statement thanking the lawmakers, saying he'd review their plan. He added tersely: "My principles continue to be whether the financing is enough, dedicated and fair, and I will review the legislature's proposal in that light."

See the video coverage [here](#).