



Vote NO: S. 1813 Support Taxpayer Positions on Amendments

March 8, 2012

Taxpayers for Common Sense Action (TCS Action), a national non-partisan budget watchdog, has serious concerns about the finance provisions contained in Majority Leader Reid's amendment 1761 to S. 1813 (Moving Ahead for Progress in the 21st Century Act). The Senate's transportation bill would not be funded entirely with gasoline tax revenues, nearly the sole source of transportation revenue for at least five decades. Instead, recent declines in gas tax collections and Congress' desire to spend more than what will be collected has led them to poach additional sources of revenue. The Senate bill uses budget gimmicks, including paying for two years of transportation projects with ten years of revenue. For these and other reasons, TCS Action opposes the Senate proposal.

Though we oppose the bill as a whole, there are also a number of amendments that are of particular note for the nation's taxpayers:

- **SUPPORT Carper Amendment 1670:** This amendment will give states and local governments greater flexibility to use tolling and pricing within their transportation systems. In a constrained funding environment, many states would likely find this flexibility valuable to raise much needed funds to maintain and upgrade their transportation infrastructure. Additionally, tolling is a powerful tool for reducing congestion and represents an even more direct user fee than our current gasoline tax regime. For these reasons, Congress should work to loosen restrictions on states' ability to utilize tolling and SA 1670 is a positive step in this direction.
- **SUPPORT Corker Amendment 1810:** In the past several years, the Highway Trust Fund has required nearly \$40 billion in transfers from the Treasury to keep it solvent. In large part, this situation was created when Congress approved a SAFETEA-LU bill that spent down anticipated HTF revenues far too close to zero, and then revenues fell short of expectations. SA 1810 would prevent future transfers from the Treasury by requiring the Secretary of Transportation to reduce yearly spending to match revenues collected by the HTF.
- **SUPPORT Coburn Amendment 1738:** This amendment would take the next logical step from the 2011 and 2012 Government Accountability Office reports on duplicative programs. It would require the administration to act on the reports to consolidate agencies and programs and submit any legislative proposals necessary to complete the consolidations.
- **OPPOSE Baucus Amendment 1825:** This amendment would extend the Secure Rural Schools program which provides federal subsidies to communities based on historic logging receipts. This temporary program was intended to ease transition from logging and has instead lasted twenty years. To gain passage previously the program was expanded to provide guaranteed funding for virtually every state of the union. (Payments-in-lieu-of-taxes)

- **OPPOSE Menendez Amendment 1782:** This amendment attaches the NAT GAS ACT, S. 1863 to the bill providing billions in subsidies to the natural gas industry for tax credits for every level of production—from vehicle purchase to infrastructure investments. Members of both sides of the aisle have acknowledged that all options need to be on the table to reform our nation’s energy policy and that the playing field must be leveled. But by subsidizing the natural gas market to the tune of billions of dollars, this legislation clearly picks a winner.
- **OPPOSE Stabenow Amendment 1812:** This energy tax extenders package offers up the kitchen sink-- giving tax breaks to industries that run the gamut from fossil fuels to renewables. Just a few highlights-- the amendment extends the Alternative Fuel Vehicle Refueling Property Credit forcing taxpayers to subsidize ethanol blender pumps. It also extends tax credits for biodiesel, wind, refined coal, and coal-to-liquids. Tax extenders need to be cleared through normal legislative process, not tacked on to an unrelated bill at the 11th hour.
- **SUPPORT DeMint Amendment 1589:** This amendment would repeal a subset of energy subsidies from fossil fuels to renewables. While we support this amendment because it starts us down a path of dismantling the corrupt system of energy subsidies that has been created over the last century, the amendment doesn’t go far enough to rip out all the wasteful energy tax subsidies root and branch.

If you would like additional information, please contact me or Erich Zimmermann in my office at (202) 546-8500 x132.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Ry Alexander". The signature is fluid and cursive, with the first name "A. Ry" and the last name "Alexander" clearly distinguishable.

Ryan Alexander, President
Taxpayers for Common Sense