Carper Introduces Legislation to Fix the Highway Trust Fund, Invest in Transportation, and Expand Tax Credits for Working Americans

Legislation provides long-overdue update to country's fuel taxes for transportation investments, paired with the extension and expansion of tax credits for hard-working Americans

WASHINGTON – Today, U.S. Senator Tom Carper (D-Del.) introduced the TRAFFIC Relief Act, which would raise the country’s gasoline and diesel taxes, and also extend and expand tax credits that are critical to hard-working American families.

"The trust fund we use to pay for our roads, highways, bridges, and transit systems has been broken and has needed fixing since 2008, but Congress can’t seem to get the job done," said Senator Carper. "America has funded transportation systems, including the entire Interstate Highway System, with the gas tax for 83 years. Inflation, fuel-efficient cars, and other factors mean we don't take in as much money as we used to, yet the need to maintain and improve our transportation systems hasn't dropped. In fact, most experts argue we need to be doing more.

"Rather than lurching from crisis to crisis, increasing country's debt, and borrowing more money from foreign governments to pay for our transportation system, I say it’s time to do what’s right. At a time when gas prices are some of the lowest we've seen in recent memory, we should be willing to make the hard choice to raise the federal gas tax. To balance the 16-cent cost of a gas tax hike, I've suggested making permanent certain expiring tax cuts that will directly benefit hard-working Americans.

"Funding our nation's transportation system offers a very attractive return on investment for American taxpayers. Better roads, safer bridges, and more convenient public transit make businesses more competitive, help workers be more productive, and allow families to spend more time together. In order to help build a 21st century transportation system that this country needs and deserves, I am offering a commonsense solution that solves our funding problems once and for all. By restoring the purchasing power of the gas tax, we can finally start the important work of rebuilding and expanding America's roads, highways, bridges, and transit systems. This bill also ensures that American families receive expanded tax relief to help balance the gradual increase in the gas tax."

The legislation would increase gas and diesel taxes by four cents a year for four years, and subsequently index them to inflation. These user fees are the primary source of revenue for the Highway Trust Fund, but have not been updated since 1993, resulting in funding shortfalls for transportation projects since 2008. Over the past seven years, Congress has passed 13 short-term, stopgap-funding measures, costing our Treasury nearly $73 billion, instead of approving a long-term solution, costing our country jobs, lost productivity, and overall economic growth.
The legislation would also extend and expand the earned income (EITC) and child (CTC) tax credits. It would make both credits permanent, as well as expand the EITC for childless workers, index the CTC to inflation, and make it easier for working Americans who qualify to claim the EITC.

For years, a broad and active coalition of transportation stakeholders, including labor groups, safety advocates and everyday Americans, have asked Congress to fix the Highway Trust Fund with a modest increase in federal gas and diesel taxes, providing a long-term funding solution to chronic transportation investment shortfalls. The TRAFFIC Relief Act answers this call.

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