

Illinois Chamber of Commerce Policy Position Motor Fuel Tax and Capital Investment in 2009

Efficient transportation of people and products is the cornerstone of the Illinois economy. Yet, the State has grossly underfunded our basic transportation infrastructure to the point where the backlog of investment needs is reaching crisis levels.

Funding of transportation infrastructure is a societal need and, therefore, should come from revenue sources that are broad based. Policymakers should avoid placing a disproportionate share of the funding burden on commercial activity. Such a burden would damage the transportation cornerstone of our economy, harming employers and consumers alike.

Due to the vital importance of transportation infrastructure, the Illinois Chamber of Commerce is willing to support an increase in the motor fuel tax only if:

- The increase on diesel fuel is no more than 12 cents per gallon and is no more than the increase on gasoline;
- The revenue from the increase is spent only on transportation infrastructure;
- Legislation enacting the increase includes other provisions that will diminish the burden of the increase on commercial transportation.

In addition, the Chamber strongly encourages the General Assembly and Governor to enact the following:

- A budget plan that begins to end excessive diversions from the road fund that drain transportation resources to pay for unrelated government expenses;
- A cap on the state's sales tax on the purchase of motor fuels; the cap should be crafted in such a way as to minimize the administrative burden on fuel retailers and distributors;
- Reduction of the commercial distribution fee or dedication of a portion of that fee to the road fund;
- Restore funding to the leaking underground storage fund;
- Require recalculation of IFTA tax rates to reflect falling motor fuel prices.
- Other provisions that will diminish the negative impact of higher fuel taxes or improve the transportation infrastructure system.