



Tennessee Fuel & Convenience Store Association

Tennessee Fuel and Convenience Store Association Position on Potential Fuel Tax Increase

The Tennessee Fuel and Convenience Store Association (TFCA) represents wholesale fuel distributors and 2,500 convenience stores in Tennessee. Gas taxes increase the price of our product and by law the tax is included in the price at the pump, so the consumer doesn't distinguish the product price from the tax.

TFCA supports a broad-based approach to funding our roads, but opposes automatic increases (called indexing) in the gas tax that would raise taxes without voter input.

More fuel-efficient cars mean that Tennessee needs to look at additional options to pay for roads. Gasoline consumption has dropped in recent years because more fuel-efficient cars use less gas.

The current rack-based collection system is an efficient system that can be updated so that all types of transportation users pay for the infrastructure.

Should Tennessee Raise More Tax Dollars for Road Building and Infrastructure?

YES: To equalizing the per gallon tax rate for all types of motor fuel. All vehicles utilize the roads and it only makes sense to tax all types of fuel at the same rate. Currently different fuels are taxed at a range of rates, with gas tax being the highest and electric paying no tax.

YES: To a broad based approach that includes increases in a range of fees, such as car renewal tags, driver's licenses, oversize vehicles, HOT lane registration, VAT tax, surcharge for out of state transports, and public transportation fees to better support that system.

NO: To indexing or automatic tax increases without voter input. Tax or fee increases should be based on need, not some artificial automatic factor. Tax increases should be thoughtfully and carefully decided upon, with ample opportunity for public comment and voted on by the Tennessee General Assembly in an open and transparent manner. A tax that increases gas prices automatically without giving voters and consumers a chance to weigh in with their elected officials is contrary to a conservative philosophy and open government practices.

NO: To sales tax in addition to excise tax. Currently, the state and federal combined tax is 39.8 cents per gallon for gasoline. At \$3.00 per gallon, that is a 15.29% per gallon tax. Adding an additional 7% sales tax would bring gas tax to 22% per gallon. That is an unreasonable burden on consumers.

We encourage the General Assembly to determine the future needs for Tennessee roads and develop a broad based plan to meet those needs, rather than add-on an escalating tax that increases regardless of need and is a burden to consumers.

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