



May 3, 2006

## **An Open Letter to Governor Robert Ehrlich: Taxpayers Agree – Lower Maryland’s Gas Taxes!**

Dear Governor Ehrlich:

On behalf of the nearly 8,500 members of the National Taxpayers Union (NTU) in Maryland, I once again urge you to take quick and decisive action to provide motor fuel tax relief in your state. We reiterate the request NTU and many other organizations made after last year’s energy price spikes: **the time is ripe to lower state gas tax rates**. Taxpayers and motorists alike were heartened by reports that you were willing to consider a partial, temporary rollback of Maryland’s gas tax, and we look forward to your taking such a sensible step to help cushion the blow of high prices at the pump.

While some clamor for economically-harmful price fixes and higher taxes on energy producers, our members appreciate that reducing the gas tax rate is one of the few options government can take to combat high prices without imposing additional taxes and regulations that would further distort our energy market. The General Assembly regrettably balked at the chance to do away with such regulations this past session by failing to pass legislation that would have removed the price floor for retail sales of gasoline. Fortunately, you now have the opportunity to call a special legislative session for reducing the gas tax. Marylanders would probably agree that this situation is indeed “special” enough to warrant legislative action.

Maryland motorists pay burdensome gas tax rates that surpass the national average. According to the Federation of Tax Administrators, the state holds the dubious honor of having the 18<sup>th</sup>-highest state gas tax in the country. When a customer pulls up to a gas station in Maryland, he or she pays 23.5 cents per gallon alone in state gas taxes. Combined with an 18.4 cent per gallon federal gas tax, this means Maryland residents are paying nearly 42 cents per gallon just for taxes, or the equivalent of \$6.29 on a 15-gallon fill-up.

Maryland hopes to collect \$11.46 billion in general fund revenues this year. Surely the state can afford to give back to overburdened taxpayers by lowering or temporarily suspending the gas tax through the end of the summer driving season. Doing so would likewise benefit the many small businesses (and by extension their customers) who depend upon stable fuel costs to provide their goods and services. Your active leadership would ensure that beleaguered Maryland motorists can better cope with this trying time.

Sincerely,

A handwritten signature in black ink that reads "Kristina Rasmussen". The signature is written in a cursive, flowing style.

Kristina Rasmussen  
Sr. Government Affairs Manager