



May 1, 2013

House Committee on Transportation and Infrastructure
The Honorable Wayne Schmidt
Anderson House Office Building
124 North Capitol Avenue
Lansing, MI 48909

Dear Chairman Schmidt and distinguished members of the Committee:

On behalf of the more than 90,000 activists of Americans for Prosperity-Michigan, I am writing in opposition to HB 5477, sponsored by Rep. Rob VerHuelen. This legislation raises a number of taxpayer concerns.

HB 5477 will likely result in an immediate gas tax hike; however, of even greater concern, is the fact that it puts future gas tax hikes on autopilot. It also reduces transparency—converting the simple cents-per-gallon excise tax to a more complex wholesale calculation obfuscates the tax burden on Michigan drivers.

This bill hands over broad authority and discretion to the Michigan Department of Transportation (MDOT). It allows unelected bureaucrats within the MDOT to determine the average wholesale price of gasoline, a non-standard inflation rate, and whether or not to increase or decrease the proposed gas tax rate. While HB 5477 establishes a “floor” for gas tax revenue, it fails to establish a meaningful ceiling.

In other words, this proposal takes power away from the people. As representatives of the people, this should be of particular concern to our legislative leaders.

Michigan already has the 5th-highest taxes on gasoline in the country. Prioritizing spending, embracing free-market reforms and dedicating sales tax revenue to roads are taxpayer-friendly solutions for fixing Michigan’s roads.

With the above concerns in mind, I urge you to oppose HB 5477. Please don’t hesitate to contact me directly to discuss this issue further, (517) 853-9073 or shagerstrom@afphq.org.

Sincerely,

Scott Hagerstrom
State Director
Americans for Prosperity-Michigan