



March 22, 2022

Honorable General Assembly Members,

On behalf of the Roanoke Regional Chamber, I write to you today in regard to Governor Glenn Youngkin's proposal to temporarily eliminate the Commonwealth's tax on fuel. We understand the aspiration to provide relief from high gas prices to consumers and business owners. The high price of gasoline has negatively affected nearly everyone who must drive on a regular basis, including daily commuters and businesses that maintain fleets of automobiles or large trucks. In addition, we are acutely focused on future transportation infrastructure needs and the necessity for these projects to be funded now and into the future.

A concern that has been raised due to the Governor's proposal is that current and future transportation projects may be jeopardized by the reduction in revenue that suspension or elimination of the tax on fuels would cause. You are likely well aware of the Chamber's involvement and support of the I-81 Corridor Improvement Project (CIP), which allowed for a regional fuels tax to support safety improvements along a vital—and dangerously congested—artery in our region. Any policy which risks the timely completion of this critically important, large-scale project, as well as safety improvements on other regional roadways not covered under the CIP, would be troubling.

It is also unknown whether the temporary \$0.26 reduction in fuels tax will be experienced in totality by consumers at the gas pump. While admittedly not an expert on the intricacies of fuel procurement and pricing schema, I have seen it reported that only a fraction of these savings may actually be passed along to the consumer. If the proposed reduction of the gas tax does not correlate to an equivalent drop in price at the pump, consumers will not only fail to receive relief, they will also command less funding for transportation improvements (without much to show for it).

When combined with proposals to extend a lesser fuels-tax reduction and to permanently reduce or eliminate the sales tax on groceries—another transportation funding stream—we worry that not enough emphasis is being placed on the re-sustainment of revenue meant to keep our roadways safe and efficient. A firm commitment to honor current and future transportation infrastructure needs, and an assurance to review sustainable revenue streams for transportation, would alleviate many of these concerns.

The Chamber understands that the Governor will soon be calling a special session to complete work on the budget, associated legislation, and items having to do with his proposal to temporarily suspend the fuels-tax. We hope you will keep our comments in mind as you consider measures having to do with transportation funding. I may be reached at 540-682-2101 if you would like to discuss this issue further.

Sincerely,

A handwritten signature in black ink, appearing to read "Joyce Waugh", is written over a light blue circular graphic element.

Joyce Waugh, President & CEO