

IOWA

Transportation Funding Initiative

Legislative Term: General Assembly 85 (2013)

Type of Legislation: Amendment: H-1456/H-1457 to House File 640 (Main Bill)

Sponsor of Amendment: Representative Josh Byrnes (R-Osage), Chairman of the House Transportation Committee

Background

In 2012, Governor Branstad appointed the Transportation 2020 Citizen Advisory Commission, which was instructed to study and make recommendations regarding Iowa's fuel taxes. The commission made a formal recommendation to the Governor in 2012, which included an 8 to 10 cent-per-gallon gasoline tax increase in order to fully fund the state's backlogged road maintenance.

Initially, Governor Branstad frequently and publicly stated his willingness to consider a gas tax increase on the condition that the Legislature would pass tax reform (property tax relief). However, in May 2013 when the legislature delivered by passing a sweeping tax cut, Governor Branstad reversed his commitment to raising the state's gas tax. He told the media that the citizens of Iowa did not support an increase in gas prices, and instead, the governor said he would consider alternative funding mechanisms.

Summary of Proposed Amendment

The motor fuel tax increase was added as an amendment to House File 640, which initially dealt with continuing to fund tax breaks for ethanol blended fuels. The amendment proposed increasing the gas tax by ten cents over a 3-year period; during the first two years, the bill proposed a 3-cent increase each year, and the following year would include a 4-cent increase. This new revenue was estimated to bring in \$215 million annually, and these new revenues would be specifically designated for road and bridge repairs.

Current Status

Although the law was passed and signed into law by the governor on June 17, 2013, the amendment regarding the motor fuel tax increase never received a vote. This amendment was withdrawn on May 22, 2013.

Overview

Governor Changed Positions.

Governor Terry Branstad said he would support the gas tax if the overall tax burden on Iowa residents was reduced. He publicly supported a “pay-as-you-go” funding system for transportation and considers this gas tax a “user fee” (Begel). In the end, the Governor did not support the legislation, which frustrated the sponsor of the bill, Republican Representative Josh Byrnes.

Republicans Were Divided on This Issue.

Republicans were particularly divided on this issue. Representative Josh Byrnes (R-Osage), the Chairman of the House Transportation Committee, drafted the amendment to increase Iowa’s gas tax. Meanwhile, other Republicans were vehemently opposed to any proposals that included a tax increase.

Three Iowa State Senators, who initially supported the bill, withdrew their support in May 2013, and as a direct result, this essentially killed the bill (Wiser). State Senator Joni Ernst (R-Red Oak) pulled her support in part because she was considering running for the U.S. Senate seat to replace Senator Tom Harkin.

Proponents of Motor Fuel Tax Increase

- Farm Commodity Groups and Truckers
- Iowa Motor Truck Association
- Iowa Corn Growers: The president of the Iowa Corn Growers, Mr. Bruce Rohwer, said, “No one wants to pay higher taxes, but we must invest in infrastructure” (Lynch)
- BTI Special Commodities (A Coast-To-Coast Trucking Company): Mr. Bob Kohlwes, of BTI Special Commodities, said that “Truckers are willing to pay their fair share... we’ve put off investment in (this) asset long enough” (Lynch).
- The Iowa Farm Bureau
- The Iowa Good Roads Association
- The Iowa State Association of Counties
- U.S. 20 Corridor Association
- The General Contractors Association-Lobbying Efforts
- The Soybean Association
- The Association of County Supervisors
- Iowa County Engineers Association
- Chamber Alliance

Public Officials:

- **Representative Josh Byrnes (R-Osage), Chairman of the House Transportation Committee.**

“I’ve been an advocate of this all along. Iowans really do care about their roads.”

- **State Senator Tod Bowman (D-Maquoketa), Chairman of the Senate Transportation Committee**
- **Senator David Johnson (R-Ocheydan).**
- **Senator Tim Kapucian (R-Keystone).**

“I represent rural areas and a lot of people out in the countryside, farmers in particular, like a gas tax. They think we need to get the roads fixed, especially in the rural areas...I’m not a fan of tax increases, but I also don’t feel the need to stick my head in the sand and ignore the infrastructure needs we do have” (Wiser).

- **Representative Bobby Kaufman (R-Wilton).**

“I know there were a lot of unhappy people that a fuel tax didn’t pass this year...the illusion we were given was that if we had property tax reform, that a gas tax would be approved” (*The Gazette*).

- **Senate Appropriations Committee Chairman Bob Dvorsky (D- Coralville)**
- **Senator Joe Bolkcom (D-Iowa City), Chairman of the Ways and Means Committee.**

“Nobody likes to raise gas taxes, but Iowans are smart enough to know that there is no free lunch here. You have to pay to fix potholes, and there are a lot of them” (Petroski).

- **Representative Mary Mascher (D-Iowa City).**

“Obviously, nobody likes to see taxes increased, but everyone wants safe roads and bridges” (*The Gazette*).

- **Senate Majority Leader Michael Gronstal (D-Council Bluffs)**

Opposition to Motor Fuel Tax Increase

- Iowans for Tax Relief
- Iowa Tea Party Activists
- Iowa Branch of Americans for Prosperity:

This group launched a “No Gas Tax Iowa” campaign and started an electronic petition to oppose the gas tax measure (Wiser).

- Republican Party of Iowa
- Republican Party of Iowa Chair A.J. Spiker
- Senator Joni Ernst (R-Oak)

Campaign Advertising Materials

- **Public Support and Mobilization**

In February 2013, a coalition of road builders, contractors, and others planned to publicly come together in support of the gas tax increase proposal under the slogan “It’s Time for a Dime” (*The Gazette*).

- **Opposition to Gas Tax Increase: “No Gas Tax Iowa”**

Campaign Materials: <http://americansforprosperity.org/iowa/stop-the-raise-on-the-gas-tax-2/>

- Republican Party of Iowa: <http://www.iowagop.org/no-gas-tax/>

Polling Data

The Des Moines Register Poll (February 2013)

Methodology: This poll was conducted by Selzer & Co. of Des Moines from February 3, 2013 through February 6, 2013. 802 Iowans were interviewed for this poll, and they were contacted randomly by both cell phone and landline telephones. Respondents were asked about their opinions on the 10-cent gas tax increase proposal, which would use the new revenues to improve Iowa’s roads and bridges.

Poll Results: This poll found that 64% of respondents were opposed to this tax increase proposal, while 35% supported it, and 2% were unsure.

Gender Breakdown: This poll also found that 59% of men and 67% of women were opposed to this tax increase.

Age Breakdown: Meanwhile, 71% of respondents who were between the ages of 35 and 54 also opposed this gas tax increase.

Party Affiliation: 42% of Democrats and 32% of Republicans and independents supported this proposal.

Here are some issues that may be debated in the Iowa Legislature this year. For each, please tell me if you favor or oppose the initiative. (Rotate list.)

	Favor	Oppose	Not Sure
Raise the gas tax by around 10 cents a gallon to pay for road and bridge repairs	35	63	2
Require a government-issued photo ID in order to vote	71	26	3

Text of Amendment

- Amendment Text of H-1456: <http://coolice.legis.iowa.gov/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&menu=false&GA=85&hbill=%20H1456>
- Amendment Text of H-1457: <http://coolice.legis.iowa.gov/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&menu=false&GA=85&hbill=%20H1457>

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