

To the Editor:

In recent weeks, there have been proposals in Congress and by some presidential candidates to suspend the gas tax for the summer. As economists who study issues of energy policy, taxation, public finance, and budgeting, we write to indicate our opposition to this policy. Put simply, suspending the federal tax on gasoline this summer is a bad idea and we oppose it.

There are several reasons for this opposition. First, research shows that waiving the gas tax would generate major profits for oil companies rather than significantly lowering prices for consumers. Second, it would encourage people to keep buying costly imported oil and do nothing to encourage conservation. Third, a tax holiday would provide very little relief to families feeling squeezed. Fourth, the gas tax suspension would threaten to increase the already record deficit in the coming year and reduce the amount of money going into the highway trust fund that maintains our infrastructure.

Signers of this letter are Democrats, Republicans and Independents. This is not a partisan issue. It is a matter of good public policy.

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