

Rep. Garfield offered the following resolution:

**House Resolution No. 412.**

A resolution to call on Michigan to implement a summer suspension of its taxes on gasoline.

Whereas, Unprecedented gasoline prices have fueled dramatic shifts in any number of aspects of our traditional ways of life. This is especially true now for our attitudes toward discretionary travel and tourism, as some are speculating that rising gas prices will lead to vacationers taking fewer or shorter trips. As one of the premier vacation destinations in the nation, Michigan is particularly susceptible to any changes in vacation patterns; and

Whereas, Clearly, Michigan has little control over the tumultuous global forces, commodity speculation, and ever-increasing demand that have led to these outrageous prices at the pump. Our state, however, does have command over its tax policy, and this authority could be an important tool in our efforts to promote Michigan's travel industry. Michigan currently imposes a 19 cent per gallon motor fuel tax on gasoline. In addition, a 6 percent sales tax is levied on the net pump price. At \$4.00 per gallon, the sales tax alone totals 24 cents per gallon. Indeed, a summer suspension of our taxes on gasoline would provide our citizens with a much needed tax break, and it would single Michigan out as a travel industry leader; and

Whereas, A suspension of these taxes arguably could result in a short-term revenue reduction, but the positive dynamic revenue effects of a suspension of the gasoline tax and the sales tax on fuel would more than make up any difference. In fact, in recent years, the gains in fuel efficiency have greatly reduced gas tax revenues relative to other sources of transportation funding. Any reductions in miles driven will only extenuate this drop. A summer suspension of gasoline taxes would have the opposite effect. It would help stimulate our travel and tourism industry, boost sales and excise taxes, and, above all, it would also send a strong message that the Great Lake State is now open for business; now, therefore, be it

Resolved by the House of Representatives, That we hereby call on Michigan to implement a summer suspension of its taxes on gasoline; and be it further

Resolved, That copies of this resolution be transmitted to the Governor and the State Treasurer.