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NATIONAL
ASSOCIATION
OF TOWNS
AND TOWNSHIPS

May 3, 2022

The Honorable Mitch McConnell
Majority Leader
S-230, U.S. Capitol
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
S-221, U.S. Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
H-232, U.S. Capitol
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
H-204, U.S. Capitol
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Pelosi, and Leader McCarthy,

The National Association of Towns and Townships (NATaT) represents more than 10,000 towns and townships around the country. As the voice of America's smaller local governments, many in our nation's most rural locations, we believe it is imperative to share our concerns regarding the potential of a federal gas tax holiday.

While NATaT understands the challenges Americans are facing with high gas prices, we implore leadership to avoid choosing a gas tax holiday as the solution. The tax holiday would promote an ineffective immediate approach to an issue needing long-term solutions. Many supporting the holiday acknowledge the lack of actual savings yielded directly to Americans. NATaT is grateful for the hard work from Congress in passing the Bipartisan Infrastructure Law (BIL). As you well know, the Highway Trust Fund is critical to infrastructure maintenance and improvements. A gas tax holiday would work to undo the progress made by BIL before implementation can get off the ground.

Experts and Members of both parties have spoken out against this initiative. The currently introduced legislation, the **Gas Prices Relief Act** (H.R. 6787/S. 3609), would suspend the current 18.4 cents-per-gallon federal gasoline tax until January 1, 2023. The temporary elimination of federal gas taxes would take revenues from the Highway Trust Fund (an estimated loss of over \$20 billion), creating an irreversible impact on many communities NATaT represents. Our communities would face significant detrimental consequences from losing a reliable federal revenue source for the construction of infrastructure projects sorely in need of completion.

NATaT appreciates your continued work for local governments of all sizes and urges you to join us in opposition to this effort. If you need additional information or have any questions, please contact our Federal Director, Jennifer Imo, at jimo@tfgnet.com or 202.454.3947.

Sincerely,

Mike Koles
President, NATaT
Executive Director, Wisconsin Towns Association