



NEW YORK STATE SENATOR

William Larkin

Larkin Supports Proposal To End State Gas Tax

[WILLIAM J. LARKIN JR.](#) September 7, 2005

Senator Bill Larkin (R-C, Cornwall-on-Hudson) today called for a cap on the state sales tax on gas to provide immediate price relief to motorists.

Senator Larkin also called for the use of already accumulated gas taxes to help seniors stay warm this winter.

"Soaring gas prices have also generated an unexpected tax windfall from all the increased sales," said Senator Larkin. "We should be using this extra revenue to help the people who need it most. I believe these funds should go to programs that will help seniors pay what is expected to be astronomical heating bills this winter. Also, eliminating the state gas tax will provide at least some relief to motorists."

This week, the State Senate will propose legislation to roll back the gas tax and replace it with a fixed state-local levy, providing motorists immediate savings up to eight to 10 cents per gallon on fuel purchased at more than \$2 per gallon. Unlike the existing levy, the new gas tax would not rise as prices increase, thereby eliminating any future windfall to state and local governments.

The bill would also create a new "Senior Heat" program, which will provide direct, one-time, rebate checks of \$100 or more to assist at least 640,000 New York seniors eligible for the

Enhanced STAR property tax program in meeting their increased energy bills this winter. Enhanced STAR is available to seniors 65 years and older who earn under \$65,000 per year.

In Orange County, approximately 11,910 seniors would be eligible for this rebate. In Ulster County, approximately 9,334 seniors would benefit.

The program is to be funded with revenues from the gas tax windfall, now projected at \$42 million, but estimated to grow to \$100 million or more by the end of the fiscal year.

"Seniors living on a fixed-income are facing potential critical hardships this winter because of this surge in gas and fuel prices," added Larkin. "No New Yorker, especially the elderly, should have to choose between staying warm and meeting life's other necessities."

In addition to soaring gas prices, the price for natural gas and heating oil has risen dramatically since last winter. According to NYSERDA, the average fuel oil price rose from \$1.76 per gallon one year ago to \$2.43 per gallon last week -- a 38 percent increase. New York homeowners consume an average 800 gallons of fuel oil each winter. Natural gas costs are expected to show similar increases.

Senator Larkin, in partnership with the entire Senate Majority, has called on Congress to launch a detailed investigation into possible illegal price gouging by oil companies.

In addition, Senator Larkin said the Senate would soon unveil proposals aimed at reducing New York's long-term dependence on foreign oil.