

**A RESOLUTION TO BE SUBMITTED BY
LEGISLATOR TED B. MORTON**

RE: Gas Tax Cap in Erie County

WHEREAS, as Chairman of the Erie County Legislature's Committee on Energy and Environment, Legislator Ted Morton requested that Erie County Comptroller Stefan I. Mychajliw conduct an analysis on the true cost of one gallon of gasoline in Erie County; and

WHEREAS, on Tuesday January 27, 2015, Comptroller Mychajliw submitted his findings to this honorable body for our review and consideration; and

WHEREAS, Comptroller Mychajliw's report identified the following taxes and fees charged by various governing entities on every gallon of gasoline,

TAXES	Cents Per Gallon / %
Federal Excise Tax	18.4
New York State Excise Tax	8
New York State Petroleum Business Tax	17.8
New York State Spill Tax	.3
New York State Petroleum Testing Fee	.05
New York State Sales Tax	8
Erie County Sales Tax	4.75%

;and

WHEREAS, only the New York State Excise and Sales Tax are non-taxable, meaning that consumers in Erie County are unfairly being taxed on tax; and

WHEREAS, as Legislators we are stewards of taxpayer dollars, and have a responsibility to the consumers we represent to deliver financial relief whenever possible; and

WHEREAS, with gas prices currently in decline, this is the most opportune time for the County to enact a cap on the Erie County Sales and Use Tax for gasoline because sales tax revenues are also in decline; and

WHEREAS, it would be fiscally prudent of the county to make any budget adjustments to cover any potential decline in revenue permanent, rather than temporary, so there will be little to no fiscal impact by fixing the sales and compensating use tax on gasoline in Erie County while gas prices are currently low; and

WHEREAS, such an action would have the added benefit of creating revenue predictability, which would take some guesswork out of estimating the sales tax revenue number when setting the annual budget; and

WHEREAS, New York State Tax Law Section 1111(m)(4) permits counties to take steps to set sales and compensating use taxes on motor fuel and diesel motor fuel in a similar fashion to New York State's cap.

NOW, THEREFORE, BE IT

RESOLVED, that this honorable body calls on the County Executive to work with us in identifying permanent cost savings to defray the potential impact of declining sales tax revenue; and, be it further

RESOLVED, that this honorable body requests the Erie County Attorney's Office submit, within 45 days, draft legislation that would set the Erie County Sales and Compensating Use Tax on a gallon of motor fuel and diesel motor fuel at 10 cents per gallon at \$2.00, and, be it further

RESOLVED, that certified copies of this resolution shall be sent to the County Executive, County Comptroller, County Attorney, Director of Budget and Management, and the Erie County Fiscal Stability Authority.

FISCAL IMPACT: Politicians will be forced to spend less money while taxpayers keep more of their money.