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Thursday, May 18, 2006

GAS TAX FREEZE SUGGESTED N.C. advocates push for \$1 billion in state tax cuts

By Mike Barber ATED PRI

THE ASSOCIATED PRESS RALEIGH - Anti-tax advo-cates have staked a claim for half of the state's \$2 billion extra money while also declaring a minor victory in their crusade against one of the Southeast's highest fuel taxes. taxes. Bill Graham, chairman of North Carolina

Stanam, chairman of North Carolina Conservatives United and organizer of a rally that drew a crowd of about 1,000 to the statehouse grounds, announced his plan to seek more than \$1 billion in tax relief. Organizers said more than 70,000 people have signed an online petition to support the anti-tax move-ment. "Our more

"Our message is simple: Give us our money back," said Graham, a Salisbury attorney.

Tuesdays rally, held on the same day the General Assembly opened its annual session, was originally billed as a protest against the gas tax. The rally adopted a new message after Gov. Mike deneral message after Gov Mike Easley urged the General Assembly to cap the tax to keep it from rising again in July.

acep it from rising again in July Easley's declaration, a small victory for anti-gas tax advocates, marked a change in policy for the state's Democratic leadership. They have argued that a gas-tax out would lower prices by just a few pennies and the lost revenue would harm road construction around the state Each penny of the gas tax generates about \$53 mil-lion annually, according to the state Department of

Revenue. "We're glad to see the gover-nor is coming our way, but we still want him to roll it back," Graham said in an interview. "They're taking too much of the people's money." South Carolina and Virginia charge an average of about 13 cents per gallon less, which would be an appropri-tate benchmark, Graham said. North Carolina's fuel tax rose 2.8 cents per gallon, to 29.9 cents, on Jan 1 as a result of surging wholesale gas prices after Hurricanes Katrina and Rita ravaged Gulf Coast oil operations. The tam of his ravaged Gulf Coast oil operations. The tam of his ravaged Gulf Coast oil operations. The tam of his ravaged and his ravaged Saveral humanleem and chi

months based on the price of gas. Several lawmakers called for the state to freeze the gas tax before it was readjusted at the beginning of the year. Senate Republican Leader Phil Berger, R-Rockingham, asked Easley last fall to call a special session to keep the gas tax at 27.1 cents per gal-lon Easley opposed the idea, saying that the money is needed to complete projects around the state. Berger, who spoke at the molty call the will now seek

around the state. Berger, who spoke at the rally, said he will now seek legislation to roll back the tax to that figure "We finally got the governor to blink. We just need him to turn around and do the right thing," Berger said. The Democratic sources

turn around a sub-thing," Berger said. The Democratic governor's proposed budget for the state fiscal year beginning in July would dip into the state's sur-plus for an additional \$218.7 million for road construction and repairs.

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"That's the thing that con-cerns me most," Graham said. "They're not talking abut a tax cut for the people, but they're spending like there's no tomorrow." Along with repealing some of the state's gas tax, Graham requested that the state elim-inate a half-cent sales tax increase enacted in 2001 as a temporary revenue source during a state budget squeeze The tax has since been extended two times, and is now on the books through 2007.





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