

President Biden Calls for a Three-Month Federal Gas Tax Holiday

The price of gas is up dramatically around the world, and by almost \$2 per gallon in America, since Putin began amassing troops on the border of Ukraine. President Biden understands that high gas prices pose a significant challenge for working families. That's why he has taken action in recent months to boost the supply of oil and gas, including an historic release from the Strategic Petroleum Reserve, and encouraging oil companies and refiners to boost capacity and output to get more supply on the market.

Today, he is calling on Congress and states to take additional legislative action to provide direct relief to American consumers who have been hit with Putin's Price Hike. Specifically, he is calling on Congress to suspend the federal gas tax for three months, through September, without taking any money away from the Highway Trust Fund. And he is calling on states to take similar action to provide some direct relief, whether suspending their own gas taxes or helping consumers in other ways.

Federal Gas Tax Holiday

Right now, the federal government charges an 18 cent tax per gallon of gasoline and a 24 cent tax per gallon of diesel. Those taxes fund critical highways and public transportation, through the Highway Trust Fund. But in this unique moment, with gas prices near \$5 a gallon on average across the country, President Biden is calling on Congress to suspend the gas tax for three months – until the end of September – to give Americans a little extra breathing room as they deal with the effects of Putin's war in Ukraine.

The President is also calling on Congress to make sure that a gas tax holiday has no negative effect on the Highway Trust Fund. With our deficit already down by a historic \$1.6 trillion this year, the President believes that we can afford to suspend the gas tax to help consumers while using other revenues to make the Highway Trust Fund whole for the roughly \$10 billion cost. This is consistent with legislation proposed in the Senate and the House to advance a responsible gas tax holiday.

President Biden understands that a gas tax holiday alone will not, on its own, relieve the run up in costs that we've seen. But the President believes that at this unique moment when the war in Ukraine is imposing costs on American families, Congress should do what it can to provide working families breathing room.

State and Local Action

In addition to federal gas tax relief, the President is calling on state and local governments to provide additional consumer relief. Already, some states and local governments have acted: for example, in Connecticut and New York, governors temporarily suspended their gas taxes, and in Illinois and Colorado, governors delayed planned tax and fee increases. And, around the country, in states like Michigan and Minnesota, states and local leaders are considering a number of forms of consumer relief – from temporary suspensions and pauses on state sales tax on gas to

consumer rebates and relief payments. The President believes more states and local governments should do so.

Ongoing Actions to Blunt the Impact of the Putin Price Hike

Today's announcements follow a series of actions the President has taken to lower gas prices for American families.

- The President announced the release of a record 1 million barrels per day from our Strategic Petroleum Reserve, which just last week a leading oil market analyst confirmed has been critical to keeping prices from rising even more.
- He rallied international partners to join us, releasing a combined 240 million barrels of oil on the market.
- He expanded access to biofuels like E15—gasoline that uses a 15 percent ethanol blend—to increase supply and lower prices at thousands of gas stations across the country.
- He and his Administration are engaging with oil and refining companies to ask them to work with the Administration to bring forward concrete solutions that increase refinery capacity and output. Secretary Granholm is meeting with these CEOs this week.

Already, the United States produced more oil under the first year of this Administration than it did under the first two years of the prior Administration, and is on track to set new records next year. At the same time, the President understands that our efforts to increase energy production in the near-term must be coupled with medium- and long-term efforts to transition our economy away from fossil fuels produced by autocrats and to clean energy.