

Howard Marklein: Crossing the border to fill the tank

Posted on Friday, Jul 12, 2019

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Wisconsin roads were packed with out-of-state visitors around the Independence Day holiday. If you were out-and-about in the 17th Senate District, you probably saw a lot of Illinois, Minnesota and Iowa license plates. In fact, Interstate 90/94 was an artery in and out of the state throughout the holiday week and will continue to welcome visitors this summer.

Illinois drivers are now coming to Wisconsin for another reason beyond our vacation destinations, cold beer and relaxation. There is an influx of people crossing the border to fill up their gas tanks. I stopped at several gas stations in southern Green and Lafayette counties this week and asked how business was going. Every station told me that they are seeing more Illinois drivers than usual.

Illinois doubled their gas tax on July 1, 2019 from \$0.19 per gallon to \$0.38 per gallon. They also charge a \$0.157 per gallon sales tax on gas. Every gallon of gas in IL is taxed \$0.537 and some municipalities and counties add tax on top of that! Depending upon the location in Illinois, the total federal, state and local tax on a gallon of gas can be as high as \$0.91.

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I have no doubt that vacation travelers from Illinois filled their gas tanks in Wisconsin on their way into the state and again on the way home. But we are also hearing that Illinois residents are purposely crossing state lines to fill-up in Wisconsin, Indiana and Missouri, leaving Illinois gas stations empty. A survey conducted by the Center for State Policy and Leadership at the University of Illinois

Springfield and National Public Radio (NPR) Illinois recently concluded that the top reason people move out of Illinois is high taxes. This is just one more example of this ongoing problem south of our border.

According to Illinoispolicy.org, Illinois is at a serious disadvantage compared to Indiana, where drivers can save \$0.30 per gallon and Missouri, where drivers can save \$0.47 per gallon. When compared to Iowa and Wisconsin, Illinoispolicy.org claims that drivers “are expected to pay about the same as their neighbors at the border.” But this is not true.

The Wisconsin gas tax remains at \$0.309 per gallon. However, we do not tack on an additional sales tax or local taxes to our gas. In fact, my team surveyed gas stations in Wisconsin and directly across the border in Illinois on June 26 before the increase and again on July 2 after the increase. On June 26, Wisconsin gas was \$0.12 cheaper on average. On July 2, Wisconsin gas was \$0.26 cheaper on average!

For a 20 gallon tank, consumers saved an average of \$5.20 per fill-up on July 2nd! For a lot of people who have the option, this savings is worth the drive. Drivers in Freeport, IL could drive 22 miles to Monroe, WI and save \$0.29 per gallon on July 2. They might do some other shopping, enjoy a meal and further contribute to our economy.

In some places like Kenosha and Genoa City, Illinois drivers saved much more. Kenosha, WI compared to Wadsworth, IL had a difference of \$0.40 per gallon on July 2. Genoa City, WI compared to Richmond, IL had a difference of \$0.46 per gallon on July 2. That’s quite a savings for about 2 miles of driving!

Crossing the border for gas may have a wider impact as well. On CBS Channel 2 in Chicago, a resident who was filling their tank in Hammond, IN said that they had crossed the border for cheaper gas but were also doing their major grocery shopping to save on sales taxes.

Illinois Governor JB Pritzker estimated that the Illinois gas tax increase will generate \$590 million a year for the state, \$400 million a year for local governments and \$250 million a year for transit authorities. However, Patrick DeHaan from Gasbuddy.com, a website where consumers can search for the cheapest gas, said he expects stations near the Illinois border will have a hard time keeping their doors open. I also wonder what the impact will be on other retailers.

In addition to the gas tax increase in Illinois, according to CBS2, the state's vehicle registration fees would increase from \$101 to \$151 a year beginning with 2021 registrations, and electrical vehicle registration fees would go up from \$34 every two years to \$251 every year. Truck registration fees will rise by \$50 for vehicles 8,000 pounds and less, and \$100 for vehicles 8,001 pounds and more. Even by raising our registration fee by \$10, to \$85, we still have the lowest registration fees of our neighbors. Iowa, Minnesota, and Michigan assess registration fees based on the value of the car. These fees can be as high as \$260 per year in Iowa, \$300 in Minnesota, and \$125 in Michigan.

Motor vehicle fuel taxes are due to the Wisconsin Department of Revenue (DOR) on the 15th of every month. I will be seeking data to analyze the impact of these changes across the border. Anecdotally, at least, it appears that drivers in Illinois are willing to visit Wisconsin to save some money. Even without increasing our own gas tax, I am optimistic that we will recognize increased gas tax collections and other economic impacts as a result of our prudence.

For more information and to connect with me, visit my website <http://legis.wisconsin.gov/senate/17/marklein> and subscribe to my weekly E-Update by sending an email to Sen.Marklein@legis.wisconsin.gov. Do not hesitate to call 800-978-8008 if you have any questions or need assistance with any state-related matters.

-Marklein, R-Spring Green, represents the 17th Senate District.