

Wednesday, March 5, 2025

[Listen to the Article](#)

House Republican Road Funding Bills Expected Thursday

House Republicans are expected to introduce the bills for their long-term road funding plan on Thursday.

The legislation in the package is expected to eliminate sales tax on gas and increase the gas tax by 20 cents, a revenue neutral increase to replace the sales tax, sources told Gongwer News Service on background..

The package is also expected to include Sales and Use Tax bills to remove gasoline from sales and use taxes and to earmark existing sales tax to backfill reductions to the School Aid Fund. The legislation will also clarify that the changes to the gas tax will flow through the existing PA 51 formula.

Another bill in the package is expected to increase the aviation fuel tax to 8 cents per gallon.

A different bill related to the Corporate Income Tax would immediately sunset the Revitalization and Placemaking Fund and the Strategic Outreach Attraction and Reserve Fund and the housing development earmarks. Those funds are set to end at the end of the next fiscal year.

Those funds would instead be earmarked 50 percent for counties, 40 percent for cities and villages and 10 percent for the state trunk line.

The corporate income tax legislation is similar to the legislation already introduced by [Rep. Alabas Farhat](#) (D-Dearborn).

In total, the bills are expected to represent about \$3.14 billion in on-going revenue to roads.

If introduced Thursday, the roads bills from House Republicans will be the same day [Governor Gretchen Whitmer](#) is set to meet with

Democratic lawmakers regarding her proposal and the legislation already put forward by Farhat.

"Governor Whitmer has been calling for a sustainable, long-term road funding solution and will work with Republicans and Democrats to get it done," a statement from Whitmer's press secretary Stacey LaRouche said. "Last month, the governor introduced her plan to fix the roads without raising costs on commuters, while making sure the corporations that use our roads the most pay their air share. We appreciate Rep. Farhat putting forward a proposal and look forward to reviewing it. The governor will continue to welcome ideas and work with anyone who is serious about solving problems."

— By Elena Durnbaugh

[Back to top](#)



Copyright 2025, Gongwer News Service, Inc. All rights reserved.

[Terms of Service](#) [Privacy Policy](#)

