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California Senate Proposes More Tax Burdens on California Consumers and Business

(SACRAMENTO)—**Robert C. Lapsley, president of the California Business Roundtable and members of Californians Against Higher Taxes, issued the following statement regarding today's proposal by Senator Steinberg to increase gas taxes:**

"Less than 24 hours after Senator Noreen Evans (D-Santa Rosa) introduced a new tax on oil extraction in the state, Senate President Pro Tem Darrell Steinberg today introduced a 'carbon' tax that will significantly increase the cost of fuel for all California consumers.

"For consumers, employees and employers, it appears that a new round of tax increases is the answer to address the state's high unemployment and rising poverty rate. Rather than working with employers to bring investment and jobs to California, the Senate has decided to raise the cost of a product that almost every Californian uses.

"Whether it is CARB's current cap-and-trade fee or this new carbon tax, the end result will be a major gasoline price increase on hardworking Californians. When you combined yesterday's proposal to levy a 9.5 percent oil extraction tax with Sen. Steinberg's estimated \$3.6 billion carbon tax- it represents a one-two punch for families and businesses who are already burdened with the highest gas taxes in the nation.

"In particular, low income and minority households, who already spend nearly 30 percent of their budgets on transportation, will be hit the hardest despite the tax credit provisions in the bill. Under this proposal, California consumers and businesses get nothing in return for their increased costs such as better roads and shorter commutes.

Senator Steinberg's proposal, however, is an acknowledgement that CARB's climate change regulations for fuels are unworkable in 2015. The focus of this proposal should not be increasing costs to consumer but rather a call for CARB to reconsider how transportation fuels should be regulated.

"Governor Brown has said repeatedly that now is not the time for new taxes and the people of California agree. With a current surplus of \$5 billion our legislators need to heed the governor's calls for prudence and fiscal restraint and not propose taxes that will stall California's economic recovery. Let's work together to bring jobs to California rather than driving them away."

