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CAHT Launches Education Effort to Inform California Consumers About Upcoming Higher Costs at the Pump

Hidden Fees or Higher Gas Taxes will Hurt Low and Middle Income Californians the Most

(SACRAMENTO)—Californians Against Higher Taxes (CAHT) today announced it is launching a bilingual education effort to inform Californians they will face dramatic increases in costs for fuel as a result of soon-to-be-enacted regulations included in the 2006 greenhouse gas emissions law, AB 32. The education effort will include multiple media components.

The California Air Resources Board (CARB) is proposing a new regulation to take effect on January 1, 2015, that would result in at least a 12-cent per gallon “hidden” gas tax increase. This is an extension of an existing CARB program to reduce greenhouse gas emissions by capping carbon emissions produced during many industrial processes. While most of these costs are borne by industry, some will probably result in higher consumer prices. This latest regulation, however, will apply directly to transportation fuels, gasoline and diesel, and will likely result in a direct cost increase of 12 cents per gallon of gas.

Leading tax and economic experts say that higher gas taxes will hurt working-class Californians the hardest.

“Economists and public policy analysts have agreed for decades that gasoline taxes hurt low- and middle-income Californians the most – the very group who have also been hit the hardest by the recession. Unless Sacramento immediately reevaluates the scheduled cap-and-trade program’s ‘hidden tax,’ Californians are in for another major economic blow that will disproportionately affect those who can afford it the least,” said Beth Miller, spokesperson for CAHT.

“When prices go up, most Californians can’t reduce their transportation needs. They have to go to work, they have to take their kids to school and they can’t afford these increases,” Miller added.

A [recent report by Next Generation](#) confirms the disproportionate hit mid and lower income Californians take when gas prices rise. According to the study, transportation costs in Fresno County are 31 percent of median income in the area. In some San Joaquin Valley areas, the number rises to nearly 40 percent.

In a [recent Opinion Editorial in the Sacramento Bee](#), UC, Berkeley, School of Law tax law and policy professor Mark Gergen and UC, Berkeley, School of Law assistant professor David Gamage, acknowledged the impact the cap-and-trade program's gas tax would have on the working class:

“California’s historic climate change legislation is at a crossroads....The program’s second phase is set to take effect in 2015, when the cap and trade program will be extended to gasoline and other fuels...”

“If the cap-and-trade program is to meet its environmental goals, the price of fuels will rise. Californians will pay more at the pump...”

“Unfortunately, as currently structured, the cap-and-trade program is almost certain to either fail at its environmental goals or else to unduly harm working-class Californians.”

“Ironically, California may not even need a ‘hidden cap and trade tax’ on fuel to meet the 2020 goals embodied in AB 32, California’s greenhouse gas reduction program,” Miller noted.

“Californians already pay the highest gas taxes and highest price per-gallon for fuel in the nation. To add insult to injury, none of the billions of dollars taken from consumers and sent to state coffers will go to improving our streets and roads. Instead, the money will be spent by politicians in Sacramento as they choose,” Miller said.