



NEWS

CONTACT: Anita Mangels / 949-463-0695

**For Immediate Release
April 25, 2011**

Proposed Law Means Billions in Higher Gas Taxes Taxpayer, Business Leaders Urge Legislators to Reject Fuel Usage Mandate

Sacramento, CA – Consumers and businesses could be facing billions of dollars in new gas taxes if a bill working its way through the state legislature is adopted, business and taxpayer leaders today warned.

AB 638 (Skinner) would require the adoption of policies and regulations to effect a dramatic reduction in the use of petroleum fuels and significant increase in alternative fuel consumption.

A joint study by the California Energy Commission and California Air Resources Board concluded that billions of dollars in new gasoline taxes and other fees would be necessary to achieve results such as those required under AB 638. Those agencies recommended measures, including a 50 cents-per-gallon gas tax, which could cost consumers an additional \$195 billion over a ten-year period.

“With gas prices as high as they already are, it makes absolutely no sense that the Legislature would even consider a law that would pile on billions of dollars in higher taxes at the pump and elsewhere,” said Earl “Skip” Cooper, president and CEO of the Black Business Association.

“Small and minority-owned businesses, and low-income families, will be hit hardest by these new taxes since they typically operate on tight budgets and spend a larger percentage of their incomes on energy,” Cooper concluded.

The impact of higher taxes on transportation fuels wouldn’t stop at the pump, said Bill LaMarr, executive director of the California Small Business Alliance.

“Higher fuel costs translate into higher costs for most goods and services,” explained LaMarr. “If small businesses can’t pass those costs along because their customers can’t afford them, those businesses might not survive.”

LaMarr also noted that the push for higher gas taxes comes on top of the Governor’s effort to extend billions of dollars in “temporary” tax increases adopted two years ago, and numerous proposals for tax increases on other products and services.

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In a letter to the Assembly Natural Resources Committee, which is scheduled to hold a hearing on AB 638 today, members of the Stop Hidden Gas Taxes coalition pointed out that the bill is unnecessary since a virtually identical measure was adopted by the Legislature several years ago. Further, there are already many policies in place or under consideration that aim to reduce fossil fuel usage and encourage introduction of alternative fuel vehicles.

Noting that high gas prices have been a top concern of Californians in recent months, Cooper urged lawmakers to put the brakes on policies that would increase our state's highest-in-the-nation gas taxes.

"The Legislature might not be able to do much about gas prices," said Cooper, "but it has the power to prevent further pain at the pump from new gas taxes by voting no on AB 638."

For more information please contact Anita Mangels at 949-463-0695 or visit www.StopHiddenGasTax.com.

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Stop Hidden Gas Taxes is a coalition of businesses, taxpayers and consumers who support a market-based approach to energy diversity and independence, without costly additional taxes and fees or arbitrary technology or fuel mandates. Coalition members include among others the California Chamber of Commerce; California Taxpayers Association; California Black Chamber of Commerce; California League of Food Processors; California Manufacturers and Technology Association; California Dump Truck Owners Association; Long Beach Black Chamber of Commerce; Independent Oil Producers' Agency; Small Business Action Committee; Western States Petroleum Association; Regional Black Chamber of Commerce of San Fernando Valley; California Independent Oil Marketers Association; Alliance of Contra Costa Taxpayers; Black Business Association; California Independent Petroleum Association; and California Small Business Alliance.