

SAVE OUR JOBS

STOP the OIL TAX

THOUSANDS OF JOBS AT RISK FROM OIL SEVERANCE TAX

"I'm willing to cost 9,000 jobs ..."

Assemblyman Alberto Torrico, author of AB 656, the proposed oil severance tax.

The news keeps getting worse for California's economy, with budget deficits of over \$20 billion a year predicted for years to come. Unemployment recently reached a record 12.5%. And what's Assemblyman Torrico's solution? A new, 12.5% tax on California oil production, ostensibly to help fund higher education. This misguided proposal will kill thousands of jobs, and won't solve either the college funding gap or the state's ongoing budget crisis. Here are the facts:

THOUSANDS OF JOBS AT STAKE

- A study of a similar tax proposal concluded that about 9,850 jobs would be lost due to decreased in-state production.
- Thousands of working men and women would lose not only their jobs, but the critically important benefits they and their families rely on – like health insurance.
- These jobs would go to other states and countries with less costly taxes – a logical conclusion since a severance tax of this nature would make California's oil production the highest taxed in the country.

LOCAL COMMUNITIES LOSE - ALMOST \$16 MILLION A YEAR IN KERN COUNTY ALONE!

- State revenues would decline by hundreds of millions a year, increasing budget deficits and leading to cuts in services.
- Local governments will lose property tax revenues if a state oil tax is imposed, most of which would be lost to local schools.
- *Kern County alone could expect to lose between \$12.7 and \$15.9 million annually according to one study.*

FLAWED ASSUMPTIONS

AB 656 perpetuates misinformation about how oil is taxed in California. Here are the facts:

- California's oil production is already among the most heavily taxed in the country.
- California drivers already pay the highest gasoline and diesel taxes in the country and among the highest fuel prices.
- The new oil tax would make California's combined taxes on petroleum the highest in the nation.

KILLING JOBS WON'T SAVE HIGHER EDUCATION

- Leaders of the UC system have declined to support AB 656 because they recognize the tax won't solve the state's higher education funding problems.
- The oil tax won't raise nearly enough to cover the growing deficits in higher education funding, and there's no guarantee of how the money will be spent.
- Raising taxes and killing jobs will prolong the recession and delay the economic recovery that is needed to put people back to work and provide the revenues to reduce the state's budget deficit.