

SAVE OUR JOBS

STOP the OIL TAX

THOUSANDS OF JOBS AT RISK FROM OIL & GAS TAX

With budget deficits of over \$20 billion a year predicted for years to come and an unemployment rate among the highest in the nation the last thing we need is a new tax that will kill even more jobs!

But that's what Assemblyman Warren Furutani is recommending. His bill, AB 1326, would impose a new, 12.5% tax on California oil and gas production, ostensibly to help fund education. This misguided proposal will kill thousands of jobs, and won't solve either the education funding gap or the state's ongoing budget crisis.

Here are the facts according to a recent study of a similar proposal:

THOUSANDS OF JOBS AT STAKE

- Nearly 10,000 jobs would be lost due to decreased in-state production. These jobs would go to other states and countries with less costly taxes.
- Thousands of working Californians would lose not only their jobs, but the critically important benefits they and their families rely on – like health insurance.

LOCAL COMMUNITIES LOSE

- 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.

HIGHER FUEL COSTS, INCREASED DEPENDENCE ON IMPORTS

- Decreased in-state production would lead to increased imports from other states and countries.
- The costs of transporting those imports would put upward pressure on gasoline and diesel prices at the pump.

FLAWED ASSUMPTIONS

AB 1326 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.
- Californians 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.

VOTERS, LEGISLATURE HAVE CONSISTENTLY REJECTED OIL & GAS SEVERANCE TAXES

- In 2006 voters soundly defeated Proposition 87, a statewide severance tax initiative.
- In 2010 the Legislature killed two severance tax bills.
- In March, 2011 voters in Los Angeles and Beverly Hills rejected local severance tax measures.

KILLING JOBS WON'T SAVE EDUCATION

- The oil tax won't raise nearly enough to cover the growing deficits in 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.

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