

SAVE OUR JOBS

STOP the OIL TAX

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FOR IMMEDIATE RELEASE

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RED WAVE OF AB 656 OPPONENTS HITS CAPITOL TO FIGHT FOR JOBS

SACRAMENTO – Hundreds of red t-shirted Californians – many travelling on buses dubbed “The Job Saver Express” – converged on the State Capitol today to fight for their jobs endangered by AB 656, a new 12.5% oil severance tax that economists say could eliminate 9,000 jobs statewide.

The bill’s author, Assemblyman Alberto Torrico (D-Fremont), using it as part of his campaign to become Attorney General, has declared he is willing to sacrifice the jobs of 9,000 Californians.

An economic study of a previously proposed severance tax at a significantly lower rate found – along with costing thousands of jobs – the levy would cut local government revenues by millions of dollars, increase the state’s dependence on foreign oil and drive up the cost of gasoline and diesel fuel.

At a news conference before an Assembly Revenue and Taxation Committee hearing on AB 656, Ron Jacobs, owner of a Bakersfield company that provides oil-field services, said his 57 full-time workers are endangered by the measure.

“AB 656 will put many of those jobs, if not our entire company, at risk,” said Jacobs. “If our oil-field customers cut back production, it’s only logical they’ll cut back on the services we provide. When that happens, we won’t be able to sustain a workforce of this size, and if the cutbacks are severe enough we could be forced out of business altogether.”

(more)

Fred Holmes, owner of a 90-year old small independent oil production business in California, said his company has recently exported 60 jobs to Arkansas and Colorado.

“Even without the severance tax, the tax burdens in those states are lower,” said Holmes. “The income tax rate is less than half of California’s in both states. There is virtually no property tax in Arkansas. And while Colorado has a severance tax, it is only 1% with exemptions for stripper wells, which many of wells are, and several other credits and deductions.”

Assemblywoman Jean Fuller (R-Bakersfield) represents the area with 70% of the state’s oil production. Referring to the painful economic ramifications from the recent closure of California’s last auto assembly plant, Fuller said, “this bill is the NUMMI of Kern County.”

Legislative Analyst Allan Krauter said under AB 656, Kern County would lose millions of dollars in property tax revenues that are based on values that include oil underneath the ground because the bill would make that oil less valuable. He added that it would be happening at the worst possible time.

“The current economic misery has brought more people to the county hospital and the welfare office, and falling sales and property taxes are having a severe impact on our ability to fund libraries, parks, roads, fire and police protection,” said Krauter. “Now we face a direct attack from Sacramento. It may be aimed at Big Oil, but it’s going to hit us, because it will throw 7,000 people in Kern County out of work – and those people will be coming to their county government for help. “

With their t-shirts demanding “Save Our Jobs, Stop the Oil Tax”, AB 656 opponents made the trip to the State Capitol from Kern, Los Angeles, Ventura, Santa Barbara, Contra Costa and other oil producing counties.