

SAVE OUR JOBS

STOP the OIL TAX

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LOCAL LEADERS WARN OF JOB LOSSES FROM AB 1604 (NAVA)

SANTA MARIA -- Local leaders warned today that Central and South Coast residents whose livelihoods depend on oil production are among the almost 10,000 Californians whose jobs AB 1604 by Assemblyman Pedro Nava would kill.

Santa Barbara County Supervisor Joni Gray joined Joe Armendariz, president of the Santa Barbara County Taxpayers Association at a news conference for the Save Our Jobs Coalition at the Betteravia Government Center here.

“AB 1604 would place a new 10% tax on oil production in California,” said Gray. “Because much of the state’s oil comes from the Central and South Coast areas, AB 1604 would hit us particularly hard.

“This oil severance tax would make California oil production more expensive, giving oil producers a real incentive to cut their operations here and import oil from outside California. That means they wouldn’t need as many employees here. An economic study of a similar severance tax measure found that almost 10,000 California jobs would be lost as a result.”

Gray added that AB 1604 would also reduce local revenues for schools and county programs.

“Assemblyman Nava and his supporters like to say that California is the only oil-producing state without a severance tax,” said Armendariz. “This is true on its face, but is misleading.

(more ... quote open)

“California taxes oil producers in ways other states do not. For example, we have the highest corporate income tax in the country. Texas, Nevada and others have none. California charges a sales tax on the purchase of the expensive manufacturing equipment used in oil production. Most states do not.

“California is already taxing oil producers at a high rate,” Armendariz said. “The addition of the AB 1604 severance tax would give California yet another area where it has the highest taxes of all.”

AB1604 will be heard by the Senate Revenue and Taxation Committee in Sacramento on Monday.

More information is available at www.SaveOurJobs.org.

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