

Congress of the United States

Washington, DC 20515

June 27, 2022

The Honorable Gavin Newsom
Governor
State of California
1303 10th Street, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom:

We write to strongly oppose California's proposed increase to the state excise tax on gasoline beginning July 1st. In March we urged you to support a full and immediate suspension of the state gas tax at a time when Californians were already forced to choose between filling their tanks and feeding their families. Unfortunately, you did not respond to our March letter, and since then the situation has grown increasingly desperate for working families in California. Today Californians face both the highest gasoline premiums in the country and double-digit inflation at the grocery store. Californians need tax relief now, a fact even President Biden has acknowledged.¹

When we requested a full repeal of California's gasoline tax in March of this year, Californians were paying \$4.80 per gallon of gasoline. Today that price has ballooned to \$6.43 per gallon, a 34 percent increase in only three months.² A full repeal of the state gas tax in March could have saved Californians \$17 million per day and \$1.5 billion to date.^{3,4} But instead they were forced to pay an additional fifty-one cents per gallon as a result of California's gasoline tax, the highest in the nation.

On June 22nd, President Biden implored states to "provide some direct relief," such as "suspending their own gas taxes."⁵ But even as the President joins an overwhelming majority of Californians who support rolling back the gas tax, the California State Assembly has failed to answer the call to repeal or modify our state's policy of indexing the gas tax to inflation.⁶ In fact, it was with your support that 40 assemblymembers voted against suspending the gas tax in March when the price of fuel was already approaching record highs.⁷ Indexing the gas tax to inflation as it increases at a rate not seen in over 40 years is tragically misaligned with the needs of working families, who have already lost an average of \$5,200 this year to inflation.⁸

¹ Grimes, K. (2022, January 24). *California Globe*. Retrieved from <https://californiaglobe.com/articles/californias-highest-in-the-nation-gas-and-diesel-taxes/>

² GasBuddy: California. (2022, June 23). Retrieved from http://www.californiagasprices.com/retail_price_chart.aspx

³ "Gasoline Explained," U.S. Energy Information Administration. (2022, March). Retrieved from <https://www.eia.gov/energyexplained/gasoline/use-of-gasoline.php>

⁴ Nikolewski, Rob, "How much are you paying in taxes and fees for gasoline in California?" *The San Diego Union Tribune*. (2021, March 12). Retrieved from <https://www.sandiegouniontribune.com/business/story/2021-03-12/how-much-are-you-paying-in-taxes-and-fees-for-gasoline-in-california>

⁵ The White House: President Biden Calls for a Three-Month Federal Gas Tax Holiday. (2022, June 22). Retrieved from <https://www.whitehouse.gov/briefing-room/statements-releases/2022/06/22/fact-sheet-president-biden-calls-for-a-three-month-federal-gas-tax-holiday/>

⁶ Moore, Mark, "Most American want fed, state fuel taxes stopped: poll" *The New York Post*. (2022, March 23). Retrieved from <https://nypost.com/2022/03/23/most-americans-want-fed-state-fuel-taxes-stopped-poll/>

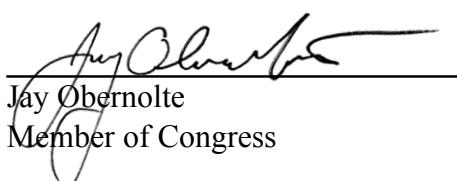
⁷ Holden, Lindsey, "California Drivers won't see a gas tax holiday any time soon after GOP move fails" *The Sacramento Bee*. (2022, March 15). Retrieved from <https://www.sacbee.com/news/politics-government/capitol-alert/article259393034.html>

⁸ Husby, Andrew, "U.S. Households Face \$5,200 Inflation Tax This Year" *Bloomberg*. (2022, March 29). Retrieved from <https://www.bloomberg.com/news/articles/2022-03-29/u-s-households-face-5-200-inflation-tax-this-year-chart>

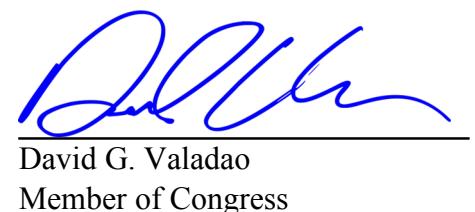
The State of California is fiscally better positioned to cut taxes for working families today than it has ever been in its history. For the first time ever, California will collect nearly \$100 billion more from taxpayers this year than the state actually needs to support its expenditures.⁹ And just last year, you touted the almost \$30 billion in federal infrastructure funds California will receive from the Infrastructure Investment and Jobs Act passed by Congress.¹⁰ At current levels of demand, the State of California has enough revenue for an unconditional suspension of the gas tax for the next 20 years without the reduction of a single penny in infrastructure spending.¹¹

We strongly urge you to heed President Biden's request and work with the Legislature to suspend our state's gasoline tax. Furthermore, we ask that you support a repeal of our state's policy of indexing the gas tax to inflation. Amidst historic uncertainty in global energy markets and California's unique vulnerability to supply shocks, California families deserve tax relief that reflects the severity of the economic realities they face.

Sincerely,



Jay Obernolte
Member of Congress



David G. Valadao
Member of Congress



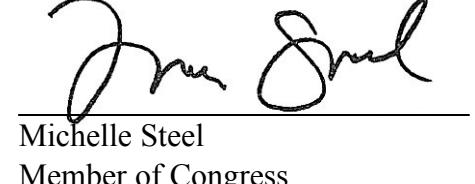
Kevin McCarthy
Member of Congress



Ken Calvert
Member of Congress



Doug LaMalfa
Member of Congress



Michelle Steel
Member of Congress

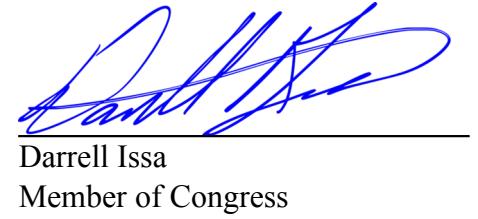
⁹ "California Gov. Newsom unveils historic \$97.5 billion budget surplus" *CNBC Politics*. (2022, May 13). Retrieved from <https://www.cnbc.com/2022/05/13/california-gov-newsom-unveils-historic-97point5-billion-budget-surplus.html>

¹⁰ "Governor Newsom Statement on Passage of \$1.2 Trillion Infrastructure Investment and Jobs Act by Congress" *Office of Governor Gavin Newsom*. (2021, November 06). Retrieved from <https://www.gov.ca.gov/2021/11/06/governor-newsom-statement-on-passage-of-1-2-trillion-infrastructure-investment-and-jobs-act-by-congress/>

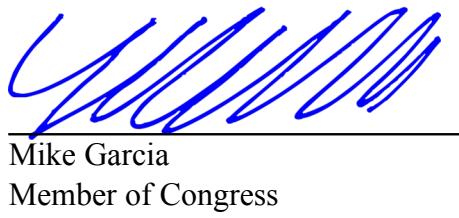
¹¹ "Gasoline Explained," *U.S. Energy Information Administration*. (2022, March). Retrieved from <https://www.eia.gov/energyexplained/gasoline/use-of-gasoline.php>



Young Kim
Member of Congress



Darrell Issa
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