

OPINION

From the January 27, 2006 print edition

Another Voice

## **Gasoline charge quacks and acts like a tax**

[Larry McCarthy](#)

Every time you buy a gallon of gasoline in California you shell out nearly 60 cents in taxes. California already has the third-highest gasoline taxes in the country, but those taxes could increase if state regulators get their way.

The California Energy Commission has proposed in its "Climate Action Report" a 2.5-cent tax on every gallon of gas sold -- equal to hundreds of millions in additional taxes. The regulators would rather you believe it is not a tax. They imaginatively call it a "public goods charge." Yet it is an increase imposed for public purposes. It would also earn California the dubious distinction of having the very highest gasoline taxes in the country.

In addition, by masquerading as a "charge," the proposal attempts to circumvent the requirement of a two-thirds majority for legislative approval. Not only is this playing politics with your money, it is a precedent that would harm consumers and businesses by increasing fuel costs with questionable environmental benefit.

There are plenty of money discussions taking place in Sacramento right now about how to spend billions of taxpayer dollars. Gov. Arnold Schwarzenegger is working on a bond proposal to address infrastructure needs. There is also the proposed \$126 billion state budget.

While many of the programs are worthy, both the bond proposal and the budget need to be carefully scrutinized. For the bond to succeed, we must avoid additional tax increases, such as a statewide gas tax, because history shows increased taxes slow the economy and compound the burden of debt.

In addition, any borrowing plan must be accompanied by several reforms, including the use of local transportation agencies to lead projects; streamlining the permit process; contracting for both design and build services from one firm rather than separate, more costly services from multiple contracts; and enabling public-private partnerships. For the budget to succeed, we must assure taxpayers that government will cut the extraordinary levels of fraud and waste reported regularly in the news media.

To get the most from taxpayer dollars, California must manage state spending in a disciplined manner by allocating resources to priority needs, and measure outcomes and cost-effectiveness while eliminating fraud and out-of-control spending.

To fund our state's needs, nothing produces a larger infusion of cash than an improved economy. Politicians cannot raise taxes to match the revenue flow resulting from increased economic activity.

Nonetheless, regulators have concocted a scheme that increases taxes through a "public goods charge." They say the purpose of the new tax is to fund greenhouse-gas reduction programs.

But those of us who remember the Legislature's unhesitating diversion of Proposition 42 gasoline sales-tax funds from dedicated highway and transportation projects to the budget deficit have good reason to find such promises suspect. California businesses and consumers cannot afford another tax, especially one that lacks accountability demands that force legislators to spend the revenue where they claim they will.

At a time when California's economy still struggles to shake off past doldrums, it is a certainty that this gas-tax increase would make California products and services more expensive, thus making it even more difficult for California to compete in a world market.

Californians already pay too much at the gas pump. Prices, again, appear to be on the rise. This needless, additional gas tax only places greater burden on our transportation abilities and takes hard-earned cash out of our wallets.

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