

## **Time to Draw the Line on Energy Tax** **by Jon Coupal, President of Howard Jarvis Taxpayers Association**

In 2005, California embarked on a great experiment by passing its own law to reduce global warming. But Assembly bill 32, “The Global Warming Solutions Act,” is hardly a “solution” if you ask any economist, employer or taxpayer group. Governor Schwarzenegger inexplicably signed the bill into law, perhaps searching for some sort of legacy for his ill-fated administration.

Notwithstanding the fact that much of the law has yet to be implemented, its mere potential for inflicting massive damage on the California economy has already had a negative impact on businesses and employment. Ironically, there are no positive environmental outcomes as a trade-off for all this economic damage.

AB 32 won’t affect global warming one iota because California is only a sliver of the global pie, especially compared to China, India and Russia. Greenhouses gases, to the extent they have any negative environmental impact at all, have no respect for political boundaries. In short, the earth only has one atmosphere. But AB 32 will dramatically alter EVERY facet of life in California – whether you’re a business, a family, a taxpayer or a consumer.

AB 32 will do nothing but increase energy costs for consumers. In fact, California taxpayers already have spent a lot of money to produce a plan. More than 200 new state employees and contractors were hired by the California Air Resources Board to draft the state’s global warming reduction strategy at a cost of more than \$100 million.

The bureaucratic burn rate will continue at roughly \$50 million or more per year into the future. However, administrative costs are really the tip of the iceberg for the actual price tag for AB 32.

Here’s what AB 32 will really cost you:

- A 60 percent increase in your electricity bill according to the Southern California Public Power Authority.
- An eight percent increase in your natural gas bill according to CARB’s economic analysis.
- \$50,000 more for the price of a new home according to an analysis by the National Renewable Energy Laboratory.
- \$3.7 billion a year more for gasoline and diesel according to Sierra Research.
- A \$1,000 to \$3,000 additional cost for a new car according to CARB and automaker studies.

On top of all that, food processors, winemakers, colleges, utility districts and various manufacturers will be forced to pay an AB 32 auction tax estimated at \$143 billion over eight years for the right to continue operating in California. That’s the equivalent of increasing gasoline taxes by more than 50 cents per gallon or increasing the average family’s electricity bill by hundreds of dollars per year.

A study conducted for the California Small Business Roundtable found that AB 32 regulations would cost small business alone nearly \$200,000 billion, and would result in more than one million lost jobs.

And on the subject of those so-called “Green Jobs?” A UC Labor Center Study found that AB 32 might produce a modest amount of “green” jobs, but would threaten more than three million jobs in manufacturing, energy and other industries. Many of these are jobs that provide good salaries and good benefits to California workers (both white and blue collar workers) who are suffering an effective unemployment rate of nearly 20 percent.

When the final accounting is done, this experiment in politically correct, over-reaching environmental mandates provides no demonstrable benefits at a price tag of hundreds of billions of dollars. It will cut an already staggering economy off at the knees.

The good news in all this is that a broad-based coalition is forming rapidly to support a statewide initiative measure that would suspend the implementation of AB 32 until such time as our abysmal employment situation improved significantly. In addition to business groups – both large and small – this battle will be joined by taxpayer and consumer organization.

To learn more, go to

<http://listsrv.netcommanders.net/hjta/lt.php?id=YRkLBAYKAFJaHIAAA00GBwABVA%3D%3D>. A downloadable petition is also available for this effort. Help Stop the Energy Tax by signing the petition to get this measure on the Ballot. Download a petition and mail it back today. Together, we can “Stop the Energy Tax.”

*Jon Coupal is President of the Howard Jarvis Taxpayers Association – California’s largest grass-roots taxpayer organization dedicated to the protection of Proposition 13 and the advancement of taxpayers’ rights.*