



# NEWS

**AMERICANS FOR TAX REFORM**

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## **Here We Go Again! Tax and Spenders Set Their Sights on the November Ballot**

*Oil tax initiative headed for California ballot*

**Washington-** It appears that an initiative that would raise the tax on oil production in California will go before voters this November. The Clean Alternative Energy Act seeks to increase the tax on oil production in California based on the price of oil.

The measure, funded by Hollywood producer, Steve Bing, Silicon Valley venture capitalists, and environmental corporate executives, would impose a severance tax on every barrel of oil produced in California. The rate of the tax would increase as the price of oil rises, allowing the tax to reach a high of 6 percent. If enacted the measure would raise taxes on oil production by \$4 billion over ten years, resulting in approximately \$400 million a year to be spent on research and development of alternative energy, such as ethanol, hydrogen, and biodiesel.

**“This initiative is nothing but an attempt by big spenders to create yet another government bureaucracy,”** stated Grover Norquist, president of Americans for Tax Reform, **“Regardless of what tax and spenders may claim, this tax will inevitably be passed on to consumers. A tax such as this would create a strong disincentive for California oil companies to produce, and thus would lead to a lower supply and higher gas prices.”**

Currently, California’s gas prices are third highest in the nation and the state ranks among the highest nationally in terms of taxes on energy production. It is impossible to guarantee that a tax increase on oil production will not be passed on to consumers. Prices at the pump are not only subject to supply and demand, but also to taxes and heavy state and federal regulations.

**“Californians cannot afford to pay more at the pump and this initiative will lead to just that,”** continued Norquist, **“Few argue with the need to expand alternative energy. Tens of billions of dollars are already being invested each year in the private and public sector on research to achieve this goal. Creating a new spending program with no guaranteed results and little accountability to taxpayers is not the answer.”**

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact John Kartch at (202) 785-0266 or at [jkartch@atr.org](mailto:jkartch@atr.org).