



California Gas Tax Hike Goes Into Effect

Californians received a gas tax hike today thanks to the state's Democratic leadership, and while supporters of the measure claim the increased revenue will help fund road maintenance and construction, the state's diverting of resources away from such projects has some Californians wondering if the tax increase will do much more than hurt drivers.

In effect on November 1, California residents are now paying 12 cents more per gallon of gas and 20 cents more for a gallon of diesel fuel. But that's not all. Starting next year, Californians will be introduced to a new fee ranging from \$24 to \$175 added to the cost of vehicle registration, depending on the worth of the vehicle. Zero-emission vehicles will face \$100 annual fees starting in 2020.



Democratic Governor Jerry Brown criticised Republicans for opposing the gas tax hike. "The Republicans in Sacramento want to fix our roads," Brown said at the time, but "they expect the tooth fairy to pay the \$5 billion every year."

But as noted by the Daily Caller, a majority of the money raised from gas taxes gets diverted to other sources. In 2013 alone, just 40 percent of the gas tax revenues went to road infrastructure. Where did the rest go?

While California residents pay more than 40 percent higher gas taxes and fees than the national average, their roads are significantly better than those in the rest of the country. In fact, according to the Reason Foundation's 21st Annual Highway Report published in September 2014, California's highway system ranked as one of the worst in the nation. By contrast, all of the five top-ranked states for highway system performance in that same report — Wyoming, Nebraska, South Dakota, South Carolina, and Kansas — had state gasoline taxes that were at or below the national average.

In a 2015 op-ed for the *Los Angeles Times*, California State Assemblyman Jay Obernolte (R-Hesperia), wrote that the reason for the discrepancy is because the funds raised from the sales tax on fuel and vehicle fees have been redirected to the general fund, as well as public transit projects.

Meanwhile, the roads continue to deteriorate. The *Times* reports that the state has a backlog of \$140 billion in repair and replacement projects for its transportation system, and that the Democrats supporting the tax increases expect them to raise more than \$5.2 billion annually.

But Republicans opposed to the tax hikes contend that the state should simply divert billions of dollars from wasteful spending on things such as a bullet train project and use it toward transportation projects instead.



Written by **Raven Clabough** on November 1, 2017



Some California lawmakers are looking to stop the tax hike in its tracks. They've inserted an amendment into the bill that would place an initiative on the 2018 ballot to prevent the tax from being used for any other funds. They are gathering signatures for a ballot measure and are holding 45 events statewide over the next month to promote the effort, the *Press Enterprise* reports.

"With the momentum we've gathered over the past six months, our grassroots effort to repeal the gas tax is kicking into high gear," ballot measure organizer Carl DeMaio said in a statement.

"When the gas tax hits Californians starting this Wednesday morning, the issue goes from the theoretical to the real, and our grassroots coalition powering the real initiative will only continue to grow," he added.

Supporters of the ballot measure fear that the state's Democratic attorney general will intentionally write the initiative to be so confusing that voters will not understand its intent.

The tax hikes are expected to hurt California drivers, who already pay among the highest gas prices in the nation.

"In a state that has consistently driven up the cost of living on working and middle-class families, this is another policy from Sacramento politicians that will reach deeper into family budgets for the next 10 years," said Ryan Hanretty, executive director of the California Independent Oil Marketers Association.

Californians may not notice the tax increase at first, however, notes Marie Montgomery, spokeswoman for the Automobile Club of Southern California, as gas stations are currently in the process of switching from the summer blend of gasoline to the less expensive winter blend. That switch is expected to offset the tax hike.

And things could get even worse as the Trump administration is reportedly considering raising the federal gas tax, which has not seen an increase since 1993. The increase would help to fund infrastructure projects.





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