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Contact: Alessandra Magnasco, CFCA, Policy Manager

Telephone (916) 646-5999

Email: alessandra@cfca.energy

CFCA Joins the Coalition to Vote No on Proposition 30

Sacramento, CA - At a time of record-high inflation, a tax increase in California, which already leads the nation with the highest personal income tax rate at 13.3%, would be wholly irresponsible. This tax hike will unduly harm small business owners in the state, which are the backbone of our economy, as they still grapple with recovering from the COVID-19 pandemic and shutdowns. Moreover, the increased tax rate will stunt economic growth in the state for up to twenty years and has the potential to trigger budget cuts to the state's funding for public programming, which includes education. California has already suffered the ramifications of billions in lost revenue from individuals and businesses fleeing the state; any further incentive for high-income earners to leave the state would be disastrous for our progressive tax system.

Additionally, the funding created by Proposition 30 would be duplicative of programs created by the state to address the rapid adoption of zero emissions vehicles, as the state's spending plan has already budgeted for \$10 billion to invest in zero emissions vehicles, without raising taxes. Federal funds for electric vehicle investments have also been made available through the Inflation Reduction Act. The existing funds that have been dedicated to electric vehicles should be fully utilized before the state considers an additional tax program.

Furthermore, automobile manufacturers are increasing the production of electric vehicles at faster rates than ever before, while utility companies continue to invest in expanding infrastructure with private partners. Therefore, it is nonsensical to not allow organic competition in the free market to increase the supply of electric vehicles while driving down the cost of equipment.

"Proposition 30 will increase costs for every Californian, and harm our most vulnerable communities at disproportionate rates. The proposition provides no guarantee that lower-income families will be assisted in purchasing an electric vehicle, which are currently predominantly purchased by wealthy and upper-middle class Californians," said Elizabeth Graham, Executive Director of the California Fuels and Convenience Alliance. Increasing the cost of living in the state when there is great risk for a recession will only guarantee that California leads the nation into one.

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About CFCA

CFCA is the industry's statewide trade association representing the needs of independent wholesale and retail marketers of gasoline, diesel, lubricating oils and other petroleum products; transporters of those products; and retail convenience store operators. CFCA's members serve California's families, agriculture, police and fire, cities, construction, and delivery industries to name a few.