

## Fuel prices: Stickers at the pumps for transparency of taxes and fees

Comments for the Friday September 22, 2017 meeting regarding the LCFS, a regulation to reduce the carbon intensity of fuels sold in California ten percent by 2020, that is one of the measures adopted by ARB, pursuant to Health and Safety Code Sections 38500-38599 (AB 32) to reduce California's greenhouse gas emissions.

Hopefully these comments will stimulate conversations and seek recommendations about being transparent at the pump, with stickers, for the public to see, as to what makes up the cost of the fuels they are purchasing.

Government and special interest groups have been successfully HIDING behind the price of transportation fuels that INCLUDE taxes and state programs costs that the industry has absolutely no control. The oil industry just passively passes those costs through to the consumer. The industry passively takes the BRUNT of those increases onto the cost of "their" products!

Every taxable item we buy, such as clothes, food, cars, computers, including the 100's of millions of products on Amazon, etc. applies taxes AFTER the purchase. The advertised price of every taxable item, except gasoline, ALWAYS EXCLUDES sales tax and Federal and State Excise taxes.

On November 1<sup>st</sup>, the "cost" of the fuel will not be changing, but the price at the pump will increase as a result of SB1 taxes that go into effect to raise funds for transportation infrastructure.

The oil industry is the only industry that offers no resistance to government imposed increases in prices to "their" manufactured fuels.

As of this November 1<sup>st</sup>, the following costs will be "hidden" from the posted pump prices, for the publics viewing and education:

### November 1, 2017 Taxes and Fees

#### Gasoline

Excise Taxes and Fees	
Federal Fuel Tax	0.18
State Fuel Tax	0.42
State UG Tank Fee	0.02
Climate Change and Renewable Fuel costs	
Cost of Renewable Fuels standard	0.07
Cost to fuel of LCFS	0.04
Cost to fuel of Cap and Trade	<u>0.11</u>
Total taxes	\$0.90

#### Diesel

Excise Taxes and Fees	
Federal Fuel Tax	0.24
State Fuel Tax	0.36
State UG Tank Fee	0.02
Climate Change and Renewable Fuel costs	

Cost of Renewable Fuels standard	0.07
Cost to fuel of LCFS	0.02
Cost to fuel of Cap and Trade	<u>0.14</u>
Total taxes	\$1.16

Interestingly, the California Independent Oil Marketers Association (CIOMA) should be very supportive of stickers at the pumps, in full view of the consumer while they're filling up, that would provide transparency to the public for costs imposed by the consumers elected and appointed representatives.

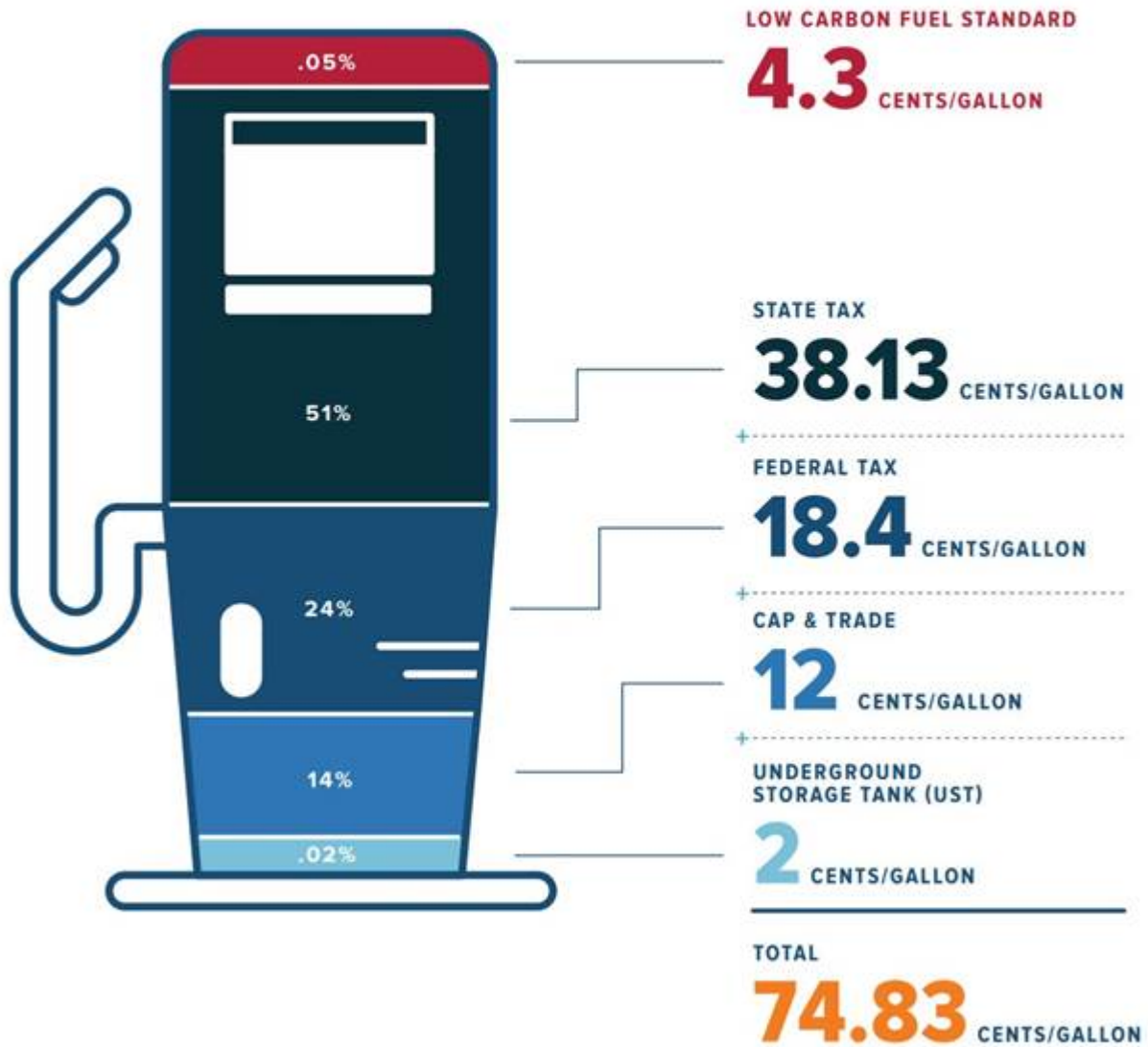
What a better time in California than November 1<sup>st</sup> when SB1 hits the consumers pocket books, when gasoline State excise tax increases from 18 to 30 cents, and diesel from 16 to 36 cents.

**The 1<sup>st</sup> station with stickers will get Statewide and National press coverage!**

The following sample "picture" should be a sticker at the pump for those costs imposed by their elected and appointed representatives to be transparent to the public!

# Gas Taxes — Pre SB 1 in California

California has the most demanding environmental fuel policies in the world, leading to state and federal gas taxes totaling **74.83 cents per gallon**—58% higher than the US National Average. Here's how it breaks down:



LOW CARBON FUEL STANDARD

**4.3** CENTS/GALLON

STATE TAX

**38.13** CENTS/GALLON

FEDERAL TAX

**18.4** CENTS/GALLON

CAP & TRADE

**12** CENTS/GALLON

UNDERGROUND STORAGE TANK (UST)

**2** CENTS/GALLON

TOTAL

**74.83** CENTS/GALLON

Source: California Energy Commission, California Board of Equalization, California Legislative Analyst Office, California Tax Foundation

In the years ahead, the Legislative Analyst's Office (LAO) estimates that Cap and Trade, and the LCFS could raise fuel prices to record heights. These government imposed costs should be transparent to the consumer, at the pump.

Thus, the stickers at the pumps may need to be updated annually to reflect the increasing costs associated with the LCFS and Cap and Trade programs, and their impact on consumers.

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