

# California lawmakers propose gas tax holiday

BY LARA KORTE | 04/28/2022 06:12 PM EDT

A bipartisan group of California lawmakers will introduce legislation to suspend the state's \$0.51-per-gallon gasoline tax for one year — one of the many ways lawmakers want to spend a budget surplus [estimated to be as high as \\$68 billion](#).

The move comes after legislative leadership earlier this week made it clear they [would not act to stop a scheduled gas-tax hike](#), an idea initially put forth by Gov. Gavin Newsom.

**Key context:** Senate President Pro Tem Toni Atkins and Assembly Speaker Anthony Rendon, both Democrats, were critical of Newsom's initial proposal for rate-hike relief, saying it passed on little savings to families while cutting critical dollars for roads and infrastructure.

Republicans have been calling for a full gas tax holiday for months, but their bills have received little traction in the Democrat-dominated Capitol. A bill by state Sen. Shannon Grove (R-Bakersfield) would permanently end the inflation hikes. Another bill, from Republican Assemblymember Kevin Kiley (R-Rocklin) would have suspended the tax entirely for six months. That measure was gutted in an March Assembly hearing.

The newest proposal, brought forth by a dozen Republican, moderate Democratic and Independent lawmakers who call themselves the Problem Solvers Caucus, would suspend the tax for a full year and require that the savings be passed directly to consumers, a provision they said would be enforced by the California Department of Justice. The funding for roads would be replaced with general-fund money, which is estimated to have a \$68 billion surplus this year.

"We can afford to do this. Our constituents can't afford to wait," said Assemblymember Adam Gray (D-Merced).

**What's next:** Atkins and Rendon maintain that a direct rebate is the most effective way to help Californians.

Senate Democrats on Thursday proposed sending \$200 to taxpayers, with an additional \$200 per dependent. Eligibility would be limited to those making \$125,000 as individuals, or \$250,000 for joint filers. Members of the Problem Solvers Caucus said they plan to gut and amend a bill in the Assembly to reflect their proposed gas tax holiday, and want to see it passed as soon as possible.

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