



Written by [Steve Byas](#) on January 8, 2015

California Motorists Pay Double-Tax Under Cap and Trade

“A drought here, a flood there, a blizzard here, a warm day there — such normal weather events are seized upon by enterprising reporters as evidence for a changing climate caused by human industrialization,” wrote John R. Christy in *Global Warming and Other Eco-Myths*.

While many now make jokes about the global warming alarmists (a group that includes former Vice President Al Gore) and their proposed solution of “cap-and-trade,” events in California demonstrate that this is really no laughing matter. What originates on the “left coast” as an absurdity to many in the rest of the nation, far too often becomes conventional wisdom among the liberals in the mainstream media, popular culture, and academia.



“Under my plan of a cap-and-trade system, electricity rates would necessarily skyrocket,” President Obama said while campaigning for the White House in 2008. “Coal-powered plants, you know, natural gas, you name it, whatever the plants were, whatever the industry was, they would have to retrofit their operations. That will cost money.”

California motorists have now discovered the stark truth of Obama’s ominous prediction, “That will cost money.” And the consumers will pay it at the pump.

California has mandated exceptionally tough air quality standards in an effort to lower emissions, and has implemented an Obama-style “cap-and-trade” system, which will raise the costs of businesses that emit so-called “pollutants.” The cap-and-trade system is supposed to play a major role in fighting “global warming.” Retailers pay the cap-and-trade fee when they receive their gasoline from distributors. Then the state figures the sales tax on the full pump price, which includes the cap-and-trade “fee” favored by Obama and others on the Left.

This is, in effect, *a tax on a tax*.

The new fee took effect on January 1, but the approximate 10-cent increase in the price of a gallon of a gasoline was not as noticeable, because the recent dramatic fall in gasoline prices in California includes almost 80 cents per gallon in fees and taxes. This includes excise taxes for both the state and the federal government. The underground storage tank fee adds another two cents per gallon.

The global warming fee is variable, and can be expected to increase in the future, when gasoline prices rebound. The state adds 2.25 percent of the full retail price, and there are also city and county sales taxes, which will naturally take more out of the consumer’s pocket as pump prices increase.

Under Assembly Bill 32, the state created a market system designed to reduce emissions, over time, of carbon dioxide and other greenhouse gases that theoretically trap heat in the atmosphere. According to



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the *San Diego Union-Tribune*, “Officials capped the level of emissions and forced heavy industry to buy permits in a quarterly auction. This cap-and-trade system creates financial incentives for reductions, mostly because the state is ratcheting down the cap by about 3 percent a year until 2020.”

Alexander Cockburn, writing in *The Nation*, compared the cap-and-trade system to the indulgence system of the Middle Ages. “The sinners established a line of credit against bad behavior and could go on sinning. Today a world market in “carbon credits” is in formation. Those whose “carbon footprint” is small can sell their surplus carbon credits to others less virtuous than themselves.” The Medieval Church, however, required genuine repentance for sin. Cap-and-trade purchasers can continue with their carbon polluting with no remorse — just as long as they pay the fee.

Cockburn accused the Greenhousers of “straightforward chicanery,” in dismissing hard scientific evidence, such as the warming period of the Middle Ages, calling it just a “local European affair.” In that medieval warming period, Vikings were farming in areas that are now covered in ice sheets, and farmers grew grapes in England. Dr. Martin Hertzberg, a former Navy meteorologist, told Cockburn that the greenhouse global warming theory has it “backwards.” Hertzberg contends that the global warming of the 1990s caused the increase of carbon dioxide, rather than the other way around.

Now that it has been several years since the planet has experienced any measurable warming, one would think efforts such as cap-and-trade would cease. But the cap-and-trade system imposed upon California drivers is not expected to be removed soon, if ever. If President Obama, Al Gore, and other progressive global warming alarmists have their way, the fee would extend beyond California to the entire nation, and eventually the entire planet. Government efforts to “enhance revenue” (which includes both fees and taxes) are usually very difficult to ever remove, once imposed.

The U.S. government implemented a phone tax (the rich used phones, you know) to help pay for the Spanish-American War back in 1898, but the tax continued long after the war, not to be repealed until just a few short years ago. Perhaps there was fear the Spanish might try a comeback. It is not likely a cap-and-trade system could be easily repealed, either.

Cap-and-trade critics in California have condemned it as a “hidden tax,” and some have challenged it in court. They contend that the tax is illegal, because it was not approved by a two-thirds vote of the legislature, as required.

It is not certain how a judge in California will rule on the matter, but the purpose of the cap-and-trade scheme is clear. President Obama made that very obvious, arguing that energy costs will “necessarily skyrocket.” A cost which will be paid by California’s consumers today, and perhaps all Americans in the future.



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