RAC-CA Proposition 30 Q & A

To help voters decide how to vote on Prop 30, an important climate measure on our CA ballot, the RAC-CA Climate Tzedek Campaign Team offers answers to some of the confusing questions in the debate.

What will Prop 30 do?

Proposition 30 will require taxpayers with annual personal income above $2 million to pay an additional tax of 1.75 percent on any income above $2 million. The tax is expected to raise between $3.5 billion to $5 billion annually and to grow over time.
Revenue from the increased income tax will be allocated as follows:

- Approx. 80% will go towards rebates and incentives for the purchase of zero-emission vehicles and to build zero-emission vehicle infrastructure such as charging stations. Half of that funding will go to low- and middle-income residents, who are disproportionately affected by poor air quality and heavy pollution.
- Approx. 20% will go towards wildfire prevention and response (including hiring and training firefighters).

Who supports Prop 30?
Supporters include NRDC, California Environmental Voters and multiple other environmental groups, the CA Democratic Party, firefighters' and electrical workers' unions, the American Lung Association, Physicians for Social Responsibility and a number of cities and municipal transit authorities. The largest funder of the Yes campaign is Lyft.

***Arguments in favor of Prop 30*:**

- The leading causes of California's worsening air pollution are gasoline-powered vehicles and wildfires. Prop 30 will accelerate the transition to electric vehicles, beef up the state's charging infrastructure and increase resources for firefighters.
- Gov. Newsom's budget over the next five years will not cover what is needed to sufficiently address air pollution. By helping individuals, municipalities, school districts and businesses switch to zero-emission vehicles, Prop 30 will help California clean up our air and meet our ambitious climate goals.
- Regarding firefighting, the nonpartisan Legislative Analyst's Office suggests the measure could save California money, as more resources for firefighters and prescribed burns could prevent mega-fires from raging out of control.
- Because air pollution is a substantial cause for hospitalization and other health care costs, especially for lower income Californians who are generally at risk for higher exposure, the state stands to save significant funds in health care.

Who opposes Prop 30?

Prop 30 is opposed by Governor Newsom, Howard Jarvis Taxpayers Association, the CA Republican Party, the California Chamber of Commerce, and the California Small Business Association and the CA Teachers Association (CTA).

Arguments against Prop 30

- Relying on wealthy residents' income (which is often tied to investments and the stock market) is a volatile and unsustainable funding model and will drive residents to leave the state.
- Gov. Newsom's significant climate investment and the surplus in this year's budget is sufficient to pay for the transition to electric vehicles and additional wildfire prevention efforts.
- The concern has been raised that additional vehicle incentive money could be pocketed by car dealers and manufacturers through higher prices.

Q & A

Q: ***Is there a "carve-out" for Lyft, as the opponents have charged?***
A: There is no carve out nor mention of Lyft or any rideshare company in Prop 30. Lyft and all rideshare companies stand to benefit from Prop 30's electric vehicle subsidies because all rideshare companies are required by law to use zero-emission vehicles for 90% of the miles their drivers travel by 2030.

Q: ***Will Prop 30 impact education funding?***
A: While this measure will neither take from nor add to education funding, the Legislative Analyst's Office explains:

> With some exceptions, such as responding to emergencies and building infrastructure, the California Constitution limits how much the state can spend. In recent years, state spending has reached this limit. Some of the spending required by Proposition 30—likely an amount ranging from about $1.5 billion to $3 billion annually—would count toward this limit. As a result, when state spending is at the limit, the proposition would require the state to reduce an equal amount of spending from other programs to "make room" for the new required spending on ZEV programs and wildfire activities.

NOTE: With air pollution leading to illness and deaths in California every day, climate-related spending could potentially be classified as emergency spending.

Q: ***Is this a permanent tax?***
A: No. The additional tax will be levied for 20 years or until three consecutive calendar years after statewide emissions are reduced by at least 80% below 1990 levels.