



# STOP HIDDEN TAXES

## SPECIFIC INDUSTRY EXAMPLES

### Co-Chairs

California Chamber of Commerce

California Taxpayers' Association

### Supporters

Americans for Tax Reform

California Beer & Beverage Distributors

California Business Alliance

California Business Properties Assn.

California Forestry Association

California Grocers Association

California Hotel & Lodging Assn.

California Landscape Contractors Association

California Manufacturers & Technology Association

California Metals Coalition

California Retailers Association

California Taxpayer Protection Committee

Family Winemakers of California

Howard Jarvis Taxpayers Association

Industrial Environmental Association

Latin Business Association

Milpitas Chamber of Commerce

Nisei Farmers League

Pleasant Hill Taxpayers Association

National Federation of Independent Business - California

Sacramento Hispanic Chamber of Commerce

Small Business Action Committee

Valley Taxpayers Coalition

Ventura County Taxpayers Assn.

Wine Institute

\*Partial List

### Restaurants

- Fees on alcohol to mitigate public nuisance associated with sale or consumption
- Fees on canned beverages to mitigate waste/recycling
- Fees on soda to mitigate obesity and other negative health effects
- Fees on unhealthy foods, fats, sugar to mitigate negative health effects
- Health inspection/monitoring fees
- Traffic impact fees
- Parking impact fees
- Air quality impact fees
- Water quality impact fees
- Fees on waste production
- Energy use surcharges and fees
- Fees on snack food
- Fees on food packaging for takeout orders
- Public safety cost mitigation fees

### Public Utilities

- Trenching fees for diminution in durability or longevity of roads, traffic congestion mitigation, mitigate potential damage to existing infrastructure
- Alternative energy fees
- Fossil fuel consumption fees
- Eco-impairment fees for hydro-facilities

### Alcohol

- Mitigation fees to address public nuisances associated with sale or consumption
- Mitigation fees to pay for health services provided by government (mental and physical) for alcoholics or those injured or otherwise affected by alcoholics
- Fees to fund public programs to prevent illegal consumption by minors or discourage abuse by adults through education, research into causes and possible cures for alcoholism

### Oil

- Carbon consumption fees for pollution mitigation (injuries related to effects of pollution)
- Eco-Impairment fees (effects of drilling, storage, or consumption on habitat or parks and recreation areas)
- Carbon consumption fees to discourage consumption and encourage use of alternative fuel sources. Additionally, fuel consumption as a means for measuring "road damage fees"
- Oil severance fee to mitigate oil spill clean-up, and build larger response and enforcement capabilities
- Hazardous waste fees to support general hazardous waste/substances programs.
- An Air District might impose a refinery gate fee to mitigate harm from diesel exhaust emissions

**Stop Hidden Taxes** | 1215 K Street, Suite 2260, Sacramento, CA 95814

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- A city or county might impose pipeline fee to enhance public safety to respond to pipeline accidents
- A state or local agency may impose gasoline fee at the pump for clean-up and mitigation of MTBE contamination at service stations or in lakes and groundwater.
- A local or regional agency might impose a gasoline fee at the pump for mass transit. (Note: fees could still be assessed if connected to a specific regulation, problem or liability identifiable to the feepayor.)

### **Tobacco**

- Mitigation fees: Fees for mitigating the adverse health effects of tobacco products (including evaluation, screening, and necessary follow-up services who are deemed potential victims of tobacco related injuries)
- Deterrence fees: Fees to discourage consumption (by increasing cost of product) and/or to educate the general public on the consequences of tobacco consumption. Fees to prevent illegal consumption by minors

### **Telecommunications**

- Cellular: Fees to reduce the impacts of DWTs (Driving While Talking), burdens on the 911 system, potential future effects of close proximity radio frequency exposure
- Trenching fees for diminution in durability of roads, traffic congestion mitigation mitigate potential damage to existing infrastructure

### **Technology Companies**

- Fees to mitigate the Digital Divide
- Ergonomic and repetitive motion injury mitigation
- Site location fees for traffic mitigation and growth impacts
- Youth and video game violence prevention fee
- Hardware disposal fees
- Toxic/Waste fees

### **Agriculture**

- Chemical/gene/hormone and other “altered food” products fees (a perceived threat for “altered food” could result in fees being levied for research, screening, testing and treatment should adverse consequences materialize or simply as a means of discouraging their use out of perceived negative externalities)
- Spoiled/infected food mitigation fees
- Insecticide abatement fees

### **Food (Retailers/Grocers/Malls)**

- Traffic impact fees (malls and Big Box retailers)
- Public safety impact fees (added security necessary because of increase concentration of people)

### **Fast Food**

- Traffic impact fees (where traffic backs-up at the drive-through)
- Litter abatement fees
- Fees to fund education, outreach, screening and treatment for obesity (fast foods having high concentrations of fat) or similar programs to discover, measure and treat the adverse health consequences of high cholesterol or caffeine

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## Entertainment

- Arenas/promoters/sports teams: Traffic impact fees. Public safety cost mitigation fees
- Television/movies: Location mitigation fees (relating to traffic impacts, clean-up, public safety and emergency services). Fees on television and movie programming to mitigate effects of violence on youth or similar anti-social consequences linked to programming

## Non-Indian Gaming

- Public safety mitigation fees (for expenses associated with a perceived increase in a criminal element associated with activity-including increase police presence, specialized investigation units)
- Fees to mitigate effects on compulsive gamblers or other associated addictive consequences including screening, education, and treatment

## Pharmaceuticals

- Mitigation for subsequently discovered health risks potentially associated with a particular drug product
- Fees to fund drug education
- Fees related to health research
- Fees to fund health treatment
- Emergency care fees
- Fees covering the cost of the uninsured or underinsured
- Pharmaceutical cost fees to cover the poor and/or elderly
- Fees related to covering immunizations for children

## Railroads

Generally protected by the federal “4-R Act” enacted by Congress to protect railroads from discriminatory local taxes. However, the 4-R Act applies to “taxes” and not fees or assessments. So long as the exaction does not contribute to the general fund of the government, it may not be considered a “tax” under the 4-R Act. See *Wheeling & Lake Erie Railway Co. v. Public Utility Commission, et. al.*, Nos. 96-3703, 3704 (1998)

- Consequently, fees to mitigate railroad-crossing accidents are potential
- Eco-impairment fees for effects of train traffic on ecosystems or potential effects of rail accidents
- Pollution abatement fees (whether for emissions or sound)
- Carbon consumption fees

## Airlines

- Pollution abatement fees
- Noise abatement fees (also affected by any carbon consumption fees)
- Crash mitigation fees (reimbursing local governments for costs of search and rescue, recovery or salvage and investigation)
- Runway maintenance fees
- Ground traffic congestion/mitigation fees

## Truckers

- Road damage fees to mitigate damage to streets and highways caused by heavy truck traffic/spills
- Fees to mitigate the adverse effects of long haul trucking and or fund programs to research evaluate and reduce potential of trucking accidents

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- Fees to mitigate health costs related to injuries of truck drivers or increased risk of traffic fatalities due to size of trucks used (SUV *plus* mitigation fee). Could be affected by carbon fuel consumption fees or pollution mitigation fees

### **Auto Manufacturing**

- Carbon fuel consumption fees. Road damage fees based on size of vehicle
- Accident fees (for costs of responding to and treating victims) based on size/safety rating of vehicle.
- A deterrence fee based on fuel efficiency to fund mass transit
- Tire disposal fees to mitigate costs and hazards of tire disposal
- Off-road mitigation fee on 4-wheel drive and all-terrain vehicles to offset eco-damage of off-road automobile use

### **Chemicals**

- Most closely related to Sinclair paint circumstance where a product is deemed hazardous, its use discontinued, and then after the fact businesses are pursued for mitigation fees
- Mitigation fees to offset adverse health effects of a chemical or chemical by-product
- Accident/hazard mitigation fees (educating public on proper usage, storage and disposal of household chemicals; offset health costs in responding to accidents relating to household chemical accidents)

### **General Business**

- Fees on businesses to fund indoor air quality maintenance and investigation programs
- Hazardous waste fees to support general hazardous waste/substances programs

### **Insurance**

- Fees on property casualty insurers for firefighting, earthquake and flood mitigation/preparation, uninsured drivers and auto case court costs, among many others
- Fees on health insurers for such things as premium assistance for lower income consumers and those who lack coverage, cover costs of certain medical procedures and tests and fees for consumer protection/intervention services against insurers

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