

Governor Newsom Proposes \$11 Billion Relief Package for Californians Facing Higher Gas Prices

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Registered vehicle owners in California will be eligible for at least \$400 per vehicle, totaling \$9 billion in direct payments to millions of Californians

\$2 billion in relief for free public transportation for three months, pausing a portion of the sales tax rate on diesel, and suspending the inflationary adjustment on gas and diesel excise tax

\$500 million to support active transportation programs, like walking and biking projects

Fast-tracking \$1.75 billion of the Governor's historic \$10 billion ZEV package to get more Californians into clean vehicles faster, build charging stations

SACRAMENTO – Today, as oil and gas companies continue to rake in record profits, [Governor Gavin Newsom unveiled](#) the details of his proposal to deliver \$11 billion in relief to Californians facing record-high gas prices.

“We’re taking immediate action to get money directly into the pockets of Californians who are facing higher gas prices as a direct result of Putin’s invasion of Ukraine,” said Governor Newsom. “But this package is also focused on protecting people from volatile gas prices, and advancing clean transportation – providing three months of free public transportation, fast-tracking electric vehicle incentives and charging stations, and new funding for local biking and walking projects.”

The Governor’s proposal calls for \$9 billion in tax refunds to Californians in the form of \$400 direct payments per vehicle, capped at two vehicles. This package also provides \$2 billion in broader relief including:

- \$750 million in incentive grants to transit and rail agencies to provide free transit for Californians for 3 months. As a result, roughly 3 million Californians per day who take the bus, subway, or light rail won’t have to pay a fare every time they ride.
- Up to \$600 million to pause a part of the sales tax rate on diesel for one year.
- \$523 million to pause the inflationary adjustment to gas and diesel excise tax rates.

The package also calls for \$500 million in active transportation for projects that promote biking and walking throughout the state. Additionally, this proposal fast-tracks a \$1.75 billion portion of the Governor’s historic \$10 billion ZEV package to further reduce the state’s dependence on oil and save Californians money, including the investments in more ZEV passenger vehicles and building more charging infrastructure throughout the state – especially in low-income communities.

The tax refund will take the form of \$400 debit cards for registered vehicle owners, and individuals will be eligible to receive up to two payments. An average California driver spends approximately \$300 in gasoline excise tax over a year.

The proposal provides up to two \$400 rebates per vehicle, for owners to support families with more than one vehicle in use. Eligibility will be based on vehicle registration, not tax records, in order to include seniors who receive Social Security Disability income and low-income non-tax filers. The Governor’s proposal does not have an income cap in order to include all Californians who are facing higher prices due to the cost of oil.

The Newsom administration will meet with the Legislature to negotiate the details of the proposal in the coming days. Once approved through the Legislature, the first payments could begin as soon as July.

Governor Newsom has allocated billions of dollars in direct relief to Californians over the past two years, including \$12 billion in direct checks through the Golden State Stimulus, \$5.2 billion in rent relief, and \$2 billion in utility relief. Since 2019, the Administration and Legislature have added significant expansions of the Earned Income Tax Credit, including expanding the credit to taxpayers with ITINs, expanding the credit to every Californian working full time at minimum wage, and adding the Young Child Tax Credit. Additionally, the Governor’s historic \$37.6 billion climate package provides the resources needed to forge an oil-free future and bolster the state’s clean energy economy.

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