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Governor Approves Legislation to Extend Fuel Tax Exemption, Keep Jobs at California Ports

(San Francisco, CA) – The Pacific Merchant Shipping Association today commended Gov. Jerry Brown for signing into law legislation that will extend a partial sales tax exemption for marine fuel so that California ports can remain competitive with other states seeking to lure away ships, jobs and commerce.

The enactment of SB 1243 (Lowenthal, D-Long Beach) will mean the state’s tax exemption for marine fuel that was due to sunset on January 1, 2014 will remain intact until January 1, 2024. This partial exemption covers fuel consumed out of state and in international waters, while applying the sales tax on fuel consumed within California’s waters, consistent with existing state taxation policies.

“We’re very pleased Gov. Brown understood this legislation is needed to keep the marine fuel industry alive and well in our state,” said John Berge, PMSA vice president. “He recognized the strong support we had for this bill from Democrats and Republicans, labor, business and port cities, and he heard the non-partisan Legislative Analyst’s Office when it forecast further job losses if the exemption was allowed to sunset.”

Also supporting the legislation were the California Labor Federation, the Inlandboatmen’s Union, Sailors Union of the Pacific, the International Longshore and Warehouse Union and other associated labor groups, as well as various cities, port authorities, businesses and organizations.

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