



March 10, 2022

Honorable Gavin Newsom
Governor
State of California
Capitol Annex Swing Space
O Street
Sacramento, CA 95819

Honorable Toni Atkins
President pro Tempore
CA State Senate
Capitol Annex Swing Space
O Street
Sacramento, CA 95819

Honorable Anthony Rendon
Speaker
CA State Assembly
Capitol Annex Swing Space
O Street
Sacramento, CA 95819

Honorable Scott Wilk
Senate Republican Leader
CA State Senate
O Street
Sacramento, CA 95819

Honorable James Gallagher
Assembly Republican Leader
CA State Assembly
O Street
Sacramento, CA 95819

Dear California Leaders:

On behalf of the National Federation of Independent Business (NFIB) and the 14,000 small businesses we represent in California, we encourage you to consider our input on inflationary factors and their impact on small business operations in the state.

NFIB believes a temporary suspension of the California fuel tax would have an immediate impact on prices our members and their employees are currently paying at the pump. However, we have read your statements rejecting that plan and welcome the commitment to use General Fund dollars to assist in easing the spiking price of gasoline in our state. As you are aware, these are perilous times for small businesses, many of which are still rebuilding after two years of COVID-instilled slowdowns. Immediate actions are necessary as gasoline prices are increasing daily.

In addition to the General Fund assistance for gasoline prices, we offer three other suggestions to assist small businesses:

- **Waiving overtime requirements** to allow four, 10-hour days so employees would need to commute less. This would provide for one less trip to the workplace while at the same time saving fuel and reducing pollution and traffic congestion.
- **Reimbursing employers for the cost of providing COVID leave.** With federal tax credits no longer available, struggling businesses need assistance complying with another state mandated leave program.
- **Full reduction of the state's outstanding unemployment insurance loan debt** with the federal government, or at least more than the \$1 billion being proposed, so employers avoid increased UI taxes in 2023.

California small businesses are committed to building back the economy of the state and encourage early action to address the rising cost of doing business. With the abundance of state revenues, now is an appropriate time to act on these and other issues.

We look forward to working with you and encourage your contacting me should you need any additional information about the many small businesses represented by NFIB.

Sincerely,

A handwritten signature in black ink that reads "John Kabateck". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

John Kabateck

NFIB California State Director

CC: Members, State Assembly and Senate