



121 S. Pinckney St., Suite 300
Madison, Wisconsin 53703
Phone (608) 256-7555
Toll-Free (888) 856-7555
Fax (608) 256-7666
www.wpmca.org

FOR IMMEDIATE RELEASE

Contact: Matt Hauser, President, WPMCA
608-256-7555
hauser@wpmca.org

Oil Franchise Tax Not Feasible, OPIS Director Says
Or Credible According to New Consumer Poll Released Today by WPMCA

Madison, Wis. (April 8, 2009) – Governor Jim Doyle’s proposed Oil Franchise Tax is really a hidden gas tax that would likely be passed on to retailers and consumers despite statutes prohibiting “Big Oil” attempts to recover costs, said the director of the Oil Price Information Service (OPIS) at a gathering of state petroleum marketers today. No state has ever successfully blocked oil companies from passing these fees along to retailers.

Ben Brockwell, director of OPIS, outlined factors affecting the dramatic shifts in oil prices, including proposed taxes that would hurt local petroleum retailers, at the Wisconsin Petroleum Marketers & Convenience Store Association (WPMCA) annual meeting in Wisconsin Dells, Wis.

Brockwell said that America’s oil business will continue to become increasingly regionalized, with disparities in supply, price and expansion in the Midwest versus the South, for example. The proposed franchise tax could result in supply shortages for Wisconsin and price increases, and would disproportionately hurt retailers on the state border.

“The petroleum supply chain is the most complex of any retail product,” Brockwell said. “Policy makers don’t realize that and don’t take the time to learn it. Any time you tamper with supply, there are bound to be consequences for businesses and consumers.”

WPMCA also released a new poll today showing that a majority of Wisconsin voters oppose the proposed Oil Franchise Tax. By a margin of two to one, citizens believed that the fee that was intended to tax windfall profits of major oil corporations will eventually be passed on to consumers, and most likely end up costing consumers more at the pump. The poll was conducted March 10–15, 2009, among 600 Wisconsin voters. The poll was conducted by Fairbank, Maslin, Maullin & Associates and had a +/- 4.0 percent margin of error.

Nearly 90 percent of voters polled believe gas prices for consumers would increase if the proposed oil franchise tax becomes law. “Two years ago, a similar proposal came before the state legislature and was defeated,” said Matt Hauser, President of WPMCA. “While we agree that improving state roads and infrastructure is critical to Wisconsin’s economic success, disguising a tax that increases incrementally with the price of gasoline as a fee isn’t the answer. As Mr. Brockwell noted, in addition to higher prices at the pump, the tax may have other unintended consequences, including supply issues, less money for transportation projects and local job losses in Wisconsin communities. The Oil Franchise Tax was bad public policy two years ago and it’s still bad policy today.”

WPMCA represents over 2,000 independent petroleum marketers, convenience store owners, truck stop and travel plaza operators, automotive oil change outlets and other automotive service providers throughout Wisconsin. These companies sell over 80 percent of the motor fuel and nearly all the farm fuel and heating oil sold in Wisconsin. For more information, go to www.wpmca.org.

###