



## 2011 Legislative Voting Record

For the past 85 years, the California Taxpayers Association has protected taxpayers from unnecessary taxation and has been a proponent of fiscal responsibility, standing firm against government inefficiencies and mismanagement. Our values and public policy perspectives shaped our review of legislative action in 2011, presented in this voting record.

Representative democracy requires lawmakers to consider how their actions will impact those they represent – particularly when considering matters of taxation or how to finance critical state and local programs. The purpose of the CalTax Voting Record is twofold – to hold lawmakers accountable for their actions and to inform taxpayers how their lawmakers represent them on key issues.

Legislation has an enormous impact on California's economy and each individual's ability to achieve a better quality of life. Good tax policy should treat taxpayers fairly and take into consideration a taxpayer's ability to pay the tax. Further, tax legislation should avoid targeting certain individuals or entities with higher taxes or providing special treatment to some taxpayers but not others. Through the legislative process, lawmakers can improve government by ensuring that government operates efficiently and that revenues are managed properly.

To gauge the accountability and performance of Assembly and Senate members in these key areas, CalTax produced the attached legislative report of votes taken in 2011.

### **Methodology:**

This report is a compilation of the highest priority bills on which CalTax took a position. The calculations include: (1) votes taken on the Assembly and/or Senate floors; (2) votes taken in policy or fiscal committees on bills that did not reach the floor for a vote; (3) legislators who authored a bill, but did not have a chance to vote on it themselves; and (4) credit for legislators who abstained from voting on key tax bills that CalTax opposed. The number of bills voted on by each legislator varies depending upon committee assignments and authorship.

If you have any questions or comments relating to this voting record, please contact CalTax Vice President of Communications and Research David Kline at (916) 930-3108 or [davidk@caltax.org](mailto:davidk@caltax.org).

# 2011 CalTax Voting Record

A California Taxpayers Association Report

California State Senate	Number of Votes With CalTax	% of Votes With CalTax	Votes on Priority Bills																								Bills That Did Not Receive a Vote				
			FL SB	G&F SB	G&F/ NRW SB	FL SB	FL SB	FL SB	G&F SB	FL SB	G&F SB	FL SB	FL SB	G&F SB	HEALTH SB	FL SBX1	G&F SCA	FL AB	FL AB	FL AB	FL AB	FL AB	FL AB	FL AB	FL AB	FL ABX1	FL ABX1	SB	SB	SB	
			14	17	34	86	116	223	342	364	395	508	535	556	810	23	5	36	114	242	686	711	1086	1307	1423	28	29	330	358	791	
CalTax Position:			S	S	O	O	O	O	O	S	O	S	O	S	O	O	S	O	S	O	O	O	O	O	S	O	O	S	O		
Did the Governor Sign the Bill?			NO	*	*	YES	*	NO	*	NO	*	NO	*	*	*	*	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	*	*	*	
Elaine Alquist (D-Santa Clara)	4 of 17	23.5%	EX			-	-	-		EX		-	-		-	-		+	-	+	-	-	-	NV+	+	-	-				
Joel Anderson (R-San Diego)	19 of 19	100.0%	+			+	+	+		+		+	+		+	+		+	+	+	+	+	+	+	+	+	+				
Tom Berryhill (R-Stanislaus)	18 of 18	100.0%	+			+	+	+		+		+	+		+			+	+	+	+	+	+	+	+	+	+				
Sam Blakeslee (R-San Luis Obispo)	20 of 20	100.0%	+	+		+	+	+		NV+		+	+		+	+		+	+	+	+	+	+	+	+	+	+				
Ron Calderon (D-Montebello)	3 of 15	20.0%	NV			-	NV+	-		-		-	-		-		NV	-	+	-	-	EX	-	+	-	-					
Anthony Cannella (R-Ceres)	20 of 20	100.0%	+		+	+	+	+		+		+	+		+			+	+	+	+	+	+	+	+	+	+	+			
Ellen Corbett (D-San Leandro)	3 of 17	17.6%	+			-	-	-		-		-	-		-		EX	-	+	-	-	-	-	-	+	-	-				
Lou Correa (D-Santa Ana)	17 of 17	100.0%	+			+	+	+		+		+	+		+		NV	+	+	+	+	+	+	+	+	+	+				
Kevin de Léon (D-Los Angeles)	4 of 18	22.2%	+			-	-	-		-		-	-		-		+	-	+	-	EX	-	-	+	-	-					
Mark DeSaulnier (D-Antioch)	6 of 25	24.0%	+	+	-	-	-	-		-		-	-		-		+	-	+	NV+	-	-	-	+	-	-					
Bob Dutton (R-Rancho Cucamonga)	19 of 19	100.0%	+			+	+	+		+	+	+	+		+		+	+	+	+	+	+	+	+	+	+	+				
Bill Emmerson (R-Riverside)	18 of 18	100.0%	+			+	+	+		+		+	NV+		+		+	+	+	+	+	+	+	+	+	+	+				
Noreen Evans (D-Santa Rosa)	5 of 19	26.3%	+		-	-	-	NV+		-		-	-		-		+	-	+	-	-	-	-	-	+	-	-				
Jean Fuller (R-Bakersfield)	24 of 24	100.0%	+	+	+	+	+	+	+	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+	+			
Ted Gaines (R-Roseville)	19 of 19	100.0%	+			+	+	+		+		+	+	+		+		+	+	+	+	+	+	+	+	+	+				
Loni Hancock (D-Oakland)	5 of 24	20.8%	+	+	-	-	-	-		-		-	-		-		+	-	+	-	-	-	-	-	+	-	-				
Tom Harman (R-Huntington Beach)	16 of 16	100.0%	+			+	+	+		+		EX	+		+		+	+	+	NV+	+	+	+	NV	+	+					
Ed Hernandez (D-Los Angeles)	7 of 25	28.0%	+	+	+	-	-	-		-	+	-	-		-		+	-	+	-	-	-	-	-	+	-	-				
Bob Huff (R-Glendora)	23 of 24	95.8%	+	+	+	+	+	+		-	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+				
Christine Kehoe (D-San Diego)	5 of 24	20.8%	+	+	-	-	-	-		-		-	-		-		+	-	+	-	-	-	-	-	+	-	-				
Doug LaMalfa (R-Butte)	24 of 24	100.0%	+	+	+	+	+	NV+	+	+	+	+	+		+	+	+	+	+	+	+	+	+	+	+	+	+				
Mark Leno (D-San Francisco)	4 of 19	21.1%	+			-	-	-		-		-	-		-		+	-	+	-	-	-	-	-	+	-	-				
Ted Lieu (D-Torrance)	4 of 18	22.2%	+			-	-	-		-		-	-		-		+	-	+	-	-	-	-	-	+	-	-				
Carol Liu (D-Pasadena)	5 of 23	21.7%	+	+	-	-	-	-		-	+	-	-		-		+	-	NV	-	-	-	-	-	+	-	-				
Alan Lowenthal (D-Long Beach)	3 of 17	17.6%	+			-	-	-		-		-	-		-		+	-	NV	-	-	-	-	-	+	-	-				

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California State Senate	Number of Votes With CalTax	% of Votes With CalTax	Votes on Priority Bills																								Bills That Did Not Receive a Vote						
			FL SB 14	G&F SB 17	G&F/ NRW SB 34	FL SB 86	FL SB 116	FL SB 223	G&F SB 342	FL SB 364	G&F SB 395	FL SB 508	FL SB 535	G&F SB 556	HEALTH SB 810	FL SBX1 23	G&F SCA 5	FL AB 36	FL AB 114	FL AB 242	FL AB 686	FL AB 711	FL AB 1086	FL AB 1307	FL AB 1423	FL ABX1 28	FL ABX1 29	SB 330	SB 358	SB 791			
CalTax Position:			S	S	O	O	O	O	O	O	S	O	O	S	O	O	S	O	O	S	O	O	O	O	O	O	S	O	O	O	S	O	O
Did the Governor Sign the Bill?			NO	*	*	YES	*	NO	*	NO	*	NO	*	*	*	*	*	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	*	*	*		
Gloria Negrete McLeod (D-Chino)	9 of 17	52.9%	+		-	-	NV+		-	+	+																						
Alex Padilla (D-Pacoima)	6 of 20	30.0%	+		-	-	-	-	-	-	-	-																					
Fran Pavley (D-Santa Monica)	3 of 18	16.7%	+		-	-	-	-	-	-	-	-																					
Curren Price (D-Los Angeles)	4 of 18	22.2%	+		-	-	-	-	-	-	-	-																					
Michael Rubio (D-Bakersfield)	8 of 19	42.1%	+																														
Sharon Runner (R-Antelope Valley)	13 of 13	100.0%	+																														
Joe Simitian (D-Palo Alto)	4 of 20	20.0%	+		-	-	-	-	-	-	-	-																					
Darrell Steinberg (D-Sacramento)	4 of 19	21.1%	+		-	-	-	-	-	-	-	-																					
Tony Strickland (R-Thousand Oaks)	18 of 18	100.0%	+																														
Juan Vargas (D-San Diego)	5 of 18	27.8%	+		-	-	-	-	-	-	-	-																					
Mimi Walters (R-Tustin)	15 of 15	100.0%	+																														
Lois Wolk (D-Linden)	7 of 25	28.0%	+	+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	+	-	+	NV+	-	-	-	+	-	-					
Rod Wright (D-Los Angeles)	7 of 17	41.2%	+																														
Mark Wyland (R-Escondido)	17 of 17	100.0%	+																														
Leland Yee (D-San Francisco)	4 of 17	23.5%	+		-	-	-	-	-	-	-	-																					

Key	
<b>S</b>	CalTax supported the bill.
<b>O</b>	CalTax opposed the bill.
<b>+</b>	Legislator voted with CalTax's position on a bill.
<b>-</b>	Legislator voted against CalTax's position on a bill.
<b>NV+</b>	Legislator did not vote, or abstained on a bill opposed by CalTax, which counts as supporting CalTax's position.
<b>NV</b>	Legislator did not vote, or abstained on a bill supported by CalTax.
<b>EX</b>	Legislator was excused from the day's session due to health, legislative district business, or other personal reasons.
<b>*</b>	Failed to reach the governor's desk.
<b>FL</b>	Vote occurred on the State Senate Floor.
<b>G&amp;F</b>	Vote occurred in the Senate Governance and Finance Committee.
<b>HEALTH</b>	Vote occurred in the Senate Health Committee.
<b>NRW</b>	Vote occurred in the Senate Natural Resources and Water Committee.

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			FL AB	FL AB	FL AB	R&T AB	FL AB	FL AB	FL AB	R&T AB	B&F AB	FL AB	R&T AB	R&T AB	R&T AB	FL AB	HIGHER ED AB	FL AB	FL ABX1	FL ABX1	FL ABX1	APPR/LG ACA	FL ACA	FL SB	FL SB	FL SB	FL SB	FL SB	FL SB	FL SB	AB AB	AB AB	AB AB
			36	114	242	303	686	711	780	832	935	1086	1130	1196	1239	1307	1326	1423	28	29	40	4	6	14	86	223	364	508	448	669	854		
CalTax Position: Did the Governor Sign the Bill?			S	O	S	S	O	O	S	O	O	O	O	O	O	O	S	O	O	O	O	O	S	O	S	O	O	O	O	O	O	S	
			YES	YES	YES	*	YES	YES	*	*	*	YES	*	*	*	YES	*	YES	YES	YES	*	*	*	NO	YES	NO	NO	NO	*	*	*		
Katcho Achadjian (R-San Luis Obispo)	20 of 20	100.0%	+	+	+		+	NV+	+		+	+			+	+	+	+	+	+		+	+	+	+	+	+	+	+	+			
Luis Alejo (D-Salinas)	6 of 20	30.0%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	NV+	-					
Michael Allen (D-Santa Rosa)	5 of 19	26.3%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Tom Ammiano (D-San Francisco)	5 of 20	25.0%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Toni Atkins (D-San Diego)	5 of 18	27.8%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Jim Beall (D-San Jose)	6 of 23	26.1%	+	-	+	+	-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Bill Berryhill (R-Stockton)	17 of 18	94.4%	+	+	+		+	+	+		+				+		+	-	+	+		+	+	+	+	+	+	+	+	+	+		
Marty Block (D-San Diego)	6 of 19	31.6%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	NV+	-	-					
Bob Blumenfeld (D-Van Nuys)	5 of 20	25.0%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Susan Bonilla (D-Martinez)	5 of 16	31.3%	+	-	+		-	-	+		EX				-	+	-	-	-	-	-	-	+	-	-	EX	-						
Steven Bradford (D-Inglewood)	5 of 19	26.3%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Julia Brownley (D-Santa Monica)	5 of 19	26.3%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Joan Buchanan (D-San Ramon)	7 of 18	38.9%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	+	NV+	-					
Betsy Butler (D-Torrance)	5 of 17	29.4%	+	-	+		-	EX	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Charles Calderon (D-Whittier)	6 of 25	24.0%	+	-	+	+	-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Nora Campos (D-San Jose)	7 of 19	36.8%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	NV+	NV+						
Wilmer Carter (D-Rialto)	5 of 18	27.8%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Gil Cedillo (D-Los Angeles)	7 of 21	33.3%	+	-	+	NV	EX	-	+	-	-	NV+	-	NV+	-	+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Wesley Chesbro (D-Eureka)	6 of 18	33.3%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	NV+	+	-	-	-	-	-	-	-	-		
Connie Conway (R-Visalia)	17 of 17	100.0%	+	+	+		+	EX	+		+				+		+	NV+	+	+		+	+	+	+	+	+	+	+	+			
Paul Cook (R-Yucaipa)	18 of 18	100.0%	+	+	+		+	+	+		+				+		+	+	+	+		+	+	+	+	+	+	+	+	+	+		
Mike Davis (D-Los Angeles)	5 of 18	27.8%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	EX	-						
Roger Dickinson (D-Sacramento)	5 of 18	27.8%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Tim Donnelly (R-Hesperia)	24 of 25	96.0%	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		
Mike Eng (D-Monterey Park)	4 of 18	22.2%	+	-	+		-	-	+		-	-	-	-		NV	-	-	-	-	-	-	-	+	-	-	-	-	-	-	-		
Mike Feuer (D-Los Angeles)	5 of 18	27.8%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Nathan Fletcher (R-San Diego)	17 of 18	94.4%	EX	+	+		+	+	+		+	+			+		+	+	+	-		NV+	+	+	+	+	+	+	+	+			
Paul Fong (D-Mountain View)	5 of 19	26.3%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	-	-	-	-	-		
Felipe Fuentes (D-Los Angeles)	7 of 24	29.2%	+	-	+	+	-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	-	NV+						
Warren Furutani (D-Long Beach)	7 of 20	35.0%	+	-	+		-	-	+		-	-	-	-		+	-	-	-	-	-	-	+	-	-	NV+	-	+					
Beth Gaines (R-Roseville)	14 of 14	100.0%		+	+		+		+		+				+		+	+	+	NV+		EX	+		+	+	+	+	+	+			
Cathleen Galgiani (D-Tracy)	11 of 17	64.7%	+	-	+		NV+	EX	+		NV+				+	NV+	NV	-	-	-		-	+	-	NV+	NV+	+						



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CalTax Position: Did the Governor Sign the Bill?			S	O	S	S	O	O	S	O	O	O	O	O	O	O	O	S	O	O	O	O	O	S	O	O	O	O	O	O	O	O	O	S
Richard Pan (D-Sacramento)	5 of 18	27.8%	+	-	+		-	-	+		-						+	-	-	-			-	+	-	-	-	-						
Henry Perea (D-Fresno)	8 of 24	33.3%	+	-	+	+	-	-	+	NV+	NV+	-	-	-	-	-		+	-	-	-			-	+	-	-	-	-					
John Pérez (D-Los Angeles)	5 of 18	27.8%	+	-	+		-	-	+		-						+	-	-	-			-	+	-	-	-	-						
V. Manuel Pérez (D-Coachella)	11 of 18	61.1%	+	-	+		NV+	-	+		NV+				NV+		+	-	-	-			-	+	-	-	NV+	NV+	NV+					
Anthony Portantino (D-Pasadena)	7 of 18	38.9%	+	+	+		EX	-	+		-				-	-	+	-	-	-			-	+	-	NV+	-	-						
Jim Silva (R-Huntington Beach)	17 of 17	100.0%	+	+	+		+	+	+		+				+			NV	+	+	+			+	+	+	+	+	+	+	+	+		
Nancy Skinner (D-Berkeley)	5 of 20	25.0%	+	-	+		-	-	+		-	-	-				+	-	-	-			-	+	-	-	-	-						
Cameron Smyth (R-Santa Clarita)	16 of 17	94.1%	EX	+	+		+	+	+		+				+			NV	+	+	-	NV+	NV+	+	+	+	+	+	+	+	+			
Jose Solorio (D-Santa Ana)	5 of 19	26.3%	+	-	+		-	-	+		-				-			+	-	-	-			-	+	-	-	-	-					
Sandré Swanson (D-Oakland)	5 of 18	27.8%	+	-	+		-	-	+		-				-			+	-	-	-			-	+	-	-	-	-					
Norma Torres (D-Pomona)	6 of 18	33.3%	+	-	+		EX	-	+		NV+	-					+	-	-	-			-	+	-	-	-	-						
David Valadao (R-Hanford)	18 of 18	100.0%	+	+	+		+	+	+		+				+			+	+	+	NV+		+	+	+	+	+	+	+	+	+			
Donald Wagner (R-Irvine)	18 of 18	100.0%	+	+	+		+	EX	+		+				+			+	+	+	NV+	+	+	+	+	+	+	+	+	+	+			
Bob Wieckowski (D-Fremont)	7 of 18	38.9%	+	-	+		-	-	+		-				-			+	-	-	-			-	+	-	-	NV+	+					
Das Williams (D-Santa Barbara)	5 of 17	29.4%	+	-	+		-	EX	+		-				-			+	-	-	-			-	+	-	-	-	-					
Mariko Yamada (D-Davis)	5 of 18	27.8%	+	-	+		-	-	+		-				-			+	-	-	-			-	+	-	-	-	-					

## Key

- S** CalTax supported the bill.
- O** CalTax opposed the bill.
- +** Legislator voted with CalTax's position on a bill.
- Legislator voted against CalTax's position on a bill.
- NV+** Legislator did not vote, or abstained on a bill opposed by CalTax, which counts as supporting CalTax's position.
- NV** Legislator did not vote, or abstained on a bill supported by CalTax - such action did not have any impact on a legislator's score.
- EX** Legislator was excused from the day's session due to health, legislative district business, or other personal reasons.
- \*** Failed to reach the governor's desk.
- FL** Vote occurred on the State Assembly Floor.
- APPR** Vote occurred in the Assembly Appropriations Committee.
- B&F** Vote occurred in the Assembly Banking and Finance Committee.
- HIGHER ED** Vote occurred in the Assembly Higher Education Committee.
- LG** Vote occurred in the Assembly Local Government Committee.
- R&T** Vote occurred in the Assembly Revenue and Taxation Committee.



## Priority Legislation Affecting Taxpayers for 2011

**Conformity to Federal Health Care Act (Employer-Provided Health Insurance).** [AB 36](#) (Perea) conforms California law to a federal law that excludes from income employer-provided health insurance for nondependent children under the age of 27. **AB 36** allows self-employed individuals to deduct the cost of health insurance provided to nondependent children under the age of 27 and provides employers with conformity for payroll tax purposes. The bill's application begins with 2010 benefits.

**CalTax Position: Support**

**Status: Signed into law by the governor.**

**Guts Checks and Balances for Education Funding, Limits Local Government Oversight of Education Budgets.** [AB 114](#) (Assembly Budget Committee) makes inoperative several provisions of law that allow local school districts to terminate employees. The bill also limits the authority of a county office of education from providing fiscal oversight of a school district's budget, if it is financially unstable. The bill was still being written as the Legislature debated the measure and prepared to vote on it – no committee hearing was held. CalTax opposed the bill because it significantly limits the ability of school districts to adequately prepare budgets and ensure that their finances are sound.

**CalTax Position: Oppose**

**Status: Signed into law by the governor.**

**Conformity to Certain Federal Health Care Act Provisions.** [AB 242](#) (Assembly Committee on Revenue and Taxation) conforms, with exceptions, to certain tax provisions of the federal Patient Protection and Affordable Care Act (P.L. 111-148) and the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152). The bill includes conformity to the federal rules relating to simple cafeteria plans for small businesses and to certain exclusions from gross income, including employer-provided adoption assistance. Conformity eases compliance for taxpayers and reduces state administrative costs.

**CalTax Position: Support**

**Status: Signed into law by the governor.**

**Removes Tax on Manufacturing Equipment.** [AB 303](#) (Knight) exempts from the state sales and use tax purchases of tangible personal property used in the manufacturing process, used for research and development, or construction purposes. CalTax supported the bill because tax pyramiding increases costs for consumers, and taxing manufacturing equipment creates investment hurdles for many businesses.

**CalTax Position: Support**

**Status: Failed passage in the Assembly Revenue and Taxation Committee.**

**Splits the Property Tax Roll, Increases Taxes on Business Property.** [AB 448](#) (Ammiano) provides a new change-of-ownership triggering event, thus creating more frequent property tax reassessments. **AB 448** also increases the penalties for failure to file change-in-ownership statements from 10 percent to 20 percent of the taxes applicable to the new base year value, or from 10 percent to 20 percent of the current year's taxes on that property, for failure to file upon request of the BOE, even if no change in control or change in ownership occurred.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly.**

**Taxes Soda and Sweetened Beverages.** [AB 669](#) (Monning) imposes a tax on every distributor, as defined, for the privilege of distributing in this state bottled sweetened beverages, sweetened beverages, and concentrate, at the rate of 1 cent per fluid ounce. A targeted tax on a specific industry impedes economic growth and eliminates jobs in that industry.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly Revenue and Taxation Committee.**

**Increases Complexity of the Local Sales Tax.** [AB 686](#) (Huffman) allows cities and counties to impose local sales taxes in increments of one-eighth of a percent. Counties generally impose sales taxes at a rate of 0.25 percent, with the exception of the district tax imposed for library purposes. Retailers would be required to update their computer programs for proper reporting and accounting, and this bill makes it more difficult for out-of-state retailers to agree to collect California's sales taxes. CalTax opposed the bill because it further puts the state out-of-step with the intention of the Bradley-Burns Act, which sought to create a uniform method of levying sales taxes at the local level.

**CalTax Position: Oppose**

**Status: Signed into law by the governor.**

**Requires Certain Property Owners to Prove That Assessments Are Accurate.** [AB 711](#)

(Lara) removes legal protections from taxpayers who own second homes in California by shifting the burden of proof for valuation from assessors to these property owners. CalTax opposed **AB 711** because it creates a major policy shift within the property tax structure. It is well established that the taxing authorities can maintain a high level of compliance with taxpayers when tax laws are simple and fair. Forcing a taxpayer to prove a home's value in an administrative hearing is simply not fair.

**CalTax Position: Oppose**

**Status: Signed into law by the governor.**

**Requires Government to Adjust Contracts to Reflect Changes in the Sales Tax.** [AB 780](#)

(Calderon) requires fixed-price contracts between government agencies and contractors to authorize a change in the contract due to a sales tax increase or decrease. If a contractor has an unconditional right to terminate a contract, the authorization to change the contract does not apply.

**CalTax Position: Support**

**Status: Passed the Assembly; Failed passage in the Senate.**

**Increases Tax on Certain Types of Computer Software.** [AB 832](#) (Ammiano) revises the definition of a basic computer operational program for purposes of excluding embedded computer software from existing exemptions from property taxes. **AB 832** allows county assessors, without evidence of what portion of software was sold for a single price, to enroll the total amount charged as the value. Under current law, only the basic operational programs are subject to tax.

**CalTax Position: Oppose, Unless Amended**

**Status: Failed passage in the Assembly.**

**Provides Conformity to Federal Health Savings Account Laws.** [AB 854](#) (Garrick) provides taxpayers with fair and equitable treatment during tax preparation by conforming California law to federal law with respect to health savings accounts (HSAs). **AB 854** allows individuals the same deduction for contributions to an HSA that is allowed on their federal individual income tax return for the same taxable year. CalTax supported the bill because it would save taxpayers who fund an HSA from having to keep two sets of books and make numerous adjustments on their tax returns to reflect California's lack of conformity to federal law.

**CalTax Position: Support**

**Status: Failed passage in the Assembly.**

**Taxes Property That Enters Foreclosure.** [AB 935](#) (Blumenfield) imposes a \$20,000 tax on every property proposed for a non-judicial foreclosure sale. This measure would increase the costs of homeownership for new borrowers, thus limiting opportunities of some who hope to achieve homeownership. The tax imposed by this measure will be passed on to either new borrowers purchasing residential property and/or will be paid by the actual owner of the mortgage note. The proposed tax will further increase the costs associated with purchasing a home.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly.**

**Increases Complexity of the Local Sales Tax, Authorizes Higher Local Sales Tax.** [AB 1086](#) (Wieckowski) allows Alameda County to impose a transaction (sales) and use tax in excess of the statutory 2 percent limit, by majority vote. CalTax opposed **AB 1086** because it further distorts the uniformity of the local sales and use tax structure. Higher local sales taxes also limit the purchasing power of the middle class and disadvantaged communities.

**CalTax Position: Oppose**

**Status: Signed into law by the governor.**

**Taxes Small Business Owners.** [AB 1130](#) (Skinner) increases tax rates for individuals with personal income over \$500,000 to 10.3 percent (plus the additional 1 percent on income over \$1 million). CalTax opposed the bill because it would further harm employers who are struggling to stay in business during the economic downturn, since many small, profitable unincorporated businesses pay the personal income tax.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly.**

**Taxes Small Business Owners, Gives a Refund to Those Who Don't Pay Taxes.** [AB 1196](#) (Allen) imposes an additional tax at the rate of 0.7 percent on a taxpayer's taxable income that exceeds \$1,000,000. **AB 1196** also would establish a refundable state earned income tax credit at 15 percent of the federal credit. CalTax opposed the bill because it increases revenue volatility, which makes it more difficult to budget, since revenues are subject to boom-and-bust business cycles and profits of wealthy taxpayers. CalTax traditionally opposes refundable tax credits because they lack proper oversight and can lead to fraud. Such credits also run counterintuitive to good tax policy, because the refund of the credit is made to individuals who may not pay income taxes.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly.**

**Taxes Small Business Owners.** [AB 1239](#) (Furutani) increases the top personal income tax brackets to 10 percent and 11 percent, and increases the personal income alternative minimum tax (AMT) rate from 7.5 percent to 8.5 percent, starting with the 2012 taxable year. CalTax opposed the bill because it would further harm employers who are struggling to stay in business during the economic downturn, since many small, profitable unincorporated businesses pay the personal income tax.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly.**

**Hurts Disadvantaged Employers by Limiting Their Ability to Pay Overdue Taxes.** [AB 1307](#) (Skinner) among other things, would authorize the Contractors State License Board to refuse to issue, reinstate, reactivate, or renew a contractor's license for failure to resolve any outstanding Board of Equalization (BOE) liability. This bill is too heavy-handed, and only exacerbates the state's economic woes by slowing economic recovery for the very businesses that need help.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly.**

**Increases Taxes on Oil Production, Makes Gasoline More Expensive.** [AB 1326](#) (Furutani) imposes an oil severance tax that equals 12.5 percent of the gross value of oil extracted from land within the state. CalTax opposed the bill because increasing oil production costs will result in job losses, and higher gas prices for consumers.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly.**

**Conforms State Tax Law to Federal Law for Mutual Funds.** [AB 1423](#) (Perea) conforms state tax laws, with limited exceptions, to the federal Regulated Investment Company Modernization Act. Without conformity, California-based fund companies will operate under a problematic set of obsolete federal rules, and this may place California mutual fund companies at a competitive disadvantage by lowering investment returns for California investors. California is the number one home of mutual fund companies in the nation, representing 25 percent of the national market. AB 1423 is an important measure that will preserve California jobs and prevent a serious burden from being placed on some 6 million California investors in California-based mutual funds. Due to the federal distribution rules, some taxpayers may pay higher taxes during the first year(s) after implementation. However, those same taxpayers will benefit from tax savings in the out-years on an ongoing basis, resulting in an overall tax decrease. (The Department of Finance's 10-year fiscal estimate on this bill identifies a net tax revenue decrease of a couple million dollars.)

**CalTax Position: Support**

**Status: Signed into law by the governor.**

**Imposes Higher Taxes on Certain Retailers.** [ABX1 28](#) (Blumenfield), a last-minute trailer bill incorporated into the budget package, requires certain retailers to collect and remit use tax on sales of tangible personal property to California residents, even if they do not have a physical presence in this state; requires use tax collection by an out-of-state retailer that is a member of a combined reporting group for income/franchise tax purposes, when another member of the same group provides services in connection with the sale of tangible personal property in California; and requires use tax collection on an out-of-state retailer that has affiliates in California. However, [AB 155](#), which also was signed by the governor, postponed these rules.

**CalTax Position: Oppose**

**Status: Signed into law by the governor; Placed on hold by AB 155 (Calderon).**

**Imposes a Fire Tax on Certain Rural Properties.** [ABX1 29](#) (Blumenfield) imposes a tax-like "fee" of up to \$150 on all inhabitable properties in certain rural areas of the state. The measure violates Proposition 26, as it did not pass by a two-thirds vote. The "fee" amounts to double taxation, since taxpayers already pay for public safety services.

**CalTax Position: Oppose**

**Status: Signed into law by the governor.**

**Governor's Tax Package.** [ABX1 40](#) (Fuentes and Fletcher) and [SB 116](#) (de León) imposed a substantial tax increase (estimated at \$1 billion) on employers who provide critical jobs in California. The identical bills sought to partially incentivize some California employers by taxing others, which hinders California's economic recovery. Further, the Legislature tried to jam both bills through in the last days of session – without any language to vet or public input. Thorough vetting is especially important given the complexity of tax issues.

**CalTax Position: Oppose**

**Status: ABX1 40 passed the Assembly, but failed to reach the governor's desk; SB 116 failed passage in the Senate.**

**Reduces Vote Requirement for Local Public Safety Departments to Increase Property Taxes.** [ACA 4](#) (Blumenfield) reduces the vote for approval of local public safety bonds from two-thirds to 55 percent. CalTax opposed ACA 4 because allowing local governments to exceed the limit on ad valorem property taxes sets a bad precedent and erodes the taxpayer protections of our state constitution. Long-standing taxpayer protections should not be thwarted based on the need for revenue. Voter approval of tax increases is necessary to ensure that tax increases are carefully deliberated and fully debated, and that general consensus is achieved before action is taken.

**CalTax Position: Oppose**

**Status: In Assembly Local Government Committee.**

**Empowers Unelected Officials With the Ability to Remove Propositions From the Ballot.**

[ACA 6](#) (Gatto) prohibits initiatives that impose increases in state and local costs unless they contain additional revenue to offset the cost. ACA 6 would prohibit an initiative from being submitted to the electorate if either the Legislative Analyst's Office or the Director of Finance opines that the initiative would result in a net increase in state or local government costs by more than \$5 million. CalTax opposed the measure because it is biased against constitutional amendments that are not proposed by the Legislature; and because it sets a dangerous precedent and could allow initiatives to be manipulated for political purposes.

**CalTax Position: Oppose**

**Status: Failed passage in the Assembly.**

**Establishes Sound Budgeting Principles to Promote Transparency and Create Performance-Based Standards.** [SB 14](#) (Wolk) establishes a performance-based budgeting system for the state, and for duties performed by local agencies, contractors and others with a relationship with the state. CalTax supported the bill because it creates a more transparent and effective budget process in California. The periodic review envisioned by this bill will ensure that agencies and their programs remain up to date and relevant, serving the most important needs in California and preserving scarce public resources.

**CalTax Position: Support**

**Status: Vetoed by the governor.**

**Increases Transparency, Allows Public to Review the State Budget.** [SB 17](#) (Blakeslee) requires that the budget bill and bills related to the budget be in print for 72 hours prior to passage. CalTax supported SB 17 because it would have increased transparency and ensured that members of the Legislature have adequate time to deliberate policy issues associated with the budget. SB 17 helps further the Legislature's goal of improving transparency by making the actual text and language of the budget available to the public.

**CalTax Position: Support**

**Status: Failed passage in the Senate.**

**Taxes Water Users.** [SB 34](#) (Simitian) imposes an annual charge upon each retail water supplier in the state based on the volume of water supplied by that retailer. Beginning July 1, 2012, the bill imposes a significant "public goods charge" of \$110 for each acre foot of water that is sold for nonagricultural purposes, and a \$20-per-acre charge for irrigated land. CalTax opposed the bill because most Californians already have experienced significant increases in their water rates due to local efforts to improve water supplies and increase conservation. Some of the revenues from this newly proposed tax are duplicative of those local efforts, and state intervention appears unnecessary and perhaps counterproductive. In addition, the Legislature recently passed a statewide water bond to be placed before the voters in 2012.

**CalTax Position: Oppose**

**Status: Failed passage in the Senate.**

**Imposes Unreasonable Penalties on Taxpayers.** [SB 86](#) (Budget and Fiscal Review Committee) establishes a "tax amnesty" program, related to so-called "abusive tax avoidance transactions" and offshore financial arrangements, and creates a new penalty, similar to the federal penalty for filing an erroneous refund or claim, which CalTax opposed.

**CalTax Position: Oppose**

**Status: Signed into law by the governor.**

**Increases the Car Tax in San Francisco.** [SB 223](#) (Leno) authorizes counties, with majority voter approval, to impose car taxes at a rate that is the difference between 2 percent and the state's car tax rate (which currently is 0.65 percent). CalTax opposed the bill because it would double the car tax rate in San Francisco beyond what currently may be imposed. Further, additional car taxes negatively impact automotive sales, and hit an industry that has been particularly impacted by the recession.

**CalTax Position: Oppose**

**Status: Vetoed by the governor.**

**Increases Tobacco Taxes.** [SB 330](#) (Padilla) imposes an additional excise tax on cigarettes of \$1.50 per package of 20 and indirectly increases the tax on other tobacco products under Proposition 99 (a tax increase on other tobacco products is automatically triggered whenever the tax is increased on cigarettes). In addition, this measure would impose an equivalent compensating cigarette floor stock tax. CalTax opposed SB 330 because the cigarette tax is both a regressive tax that is inconsistent with the ability-to-pay principle, and it is a flawed, declining revenue source.

**CalTax Position: Oppose**

**Status: Failed passage in the Senate.**

**Limits a Taxpayer's Ability to Challenge a Tax.** [SB 342](#) (Wolk) impairs taxpayers' ability to pursue or defend valid and legitimate claims before the Board of Equalization, Franchise Tax Board, or in another judicial proceeding regarding the imposition of taxes. SB 342 prevents a taxpayer from utilizing a contingency fee arrangement to hire someone to litigate a tax issue. The bill also limits the recovery of attorney's fees to a private party if the FTB was "substantially justified" in its position. Given that the FTB would almost always be "substantially justified" in

defending the legality of an existing statute, a party could never recover its attorney's fees in such cases, even when successful.

**CalTax Position: Oppose**

**Status: Failed passage in the Senate.**

**Eliminates Taxes on Energy-Efficiency and Pollution-Reduction Efforts.** [SB 358](#) (Canella) provides an income tax exclusion for taxpayers who receive specified funds from the California Air Resources Board, a local air pollution control district, or an air quality management district. CalTax supported the bill because it ensures that grants and other forms of income distributed by the funds from CARB will not increase personal income or corporate income tax liabilities.

**CalTax Position: Support**

**Status: Failed passage in the Senate.**

**Penalizes Employers Who Lose Employees.** [SB 364](#) (Yee) requires a taxpayer doing business in California who claims a business tax incentive to submit to the Franchise Tax Board specified information, including the number of employees employed by the taxpayer in California; and also would require the recapture of a business tax incentive if a disqualifying event occurs, resulting in a net decrease in the number of full-time employees.

**CalTax Position: Oppose**

**Status: Vetoed by the governor.**

**Removes Tax on Manufacturing Equipment.** [SB 395](#) (Dutton) exempts from the state sales and use tax purchases of tangible personal property used in the manufacturing process, used for research and development, or construction purposes. CalTax supported the bill because tax pyramiding increases costs for consumers, and taxing manufacturing equipment creates investment hurdles for many businesses.

**CalTax Position: Support**

**Status: Failed passage in the Senate.**

**Creates Uncertainty by Requiring Tax Credits to Sunset After 10 Years.** [SB 508](#) (Wolk) requires all tax credits to sunset after a 10-year period. This bill would negatively impact the state's tax structure by creating uncertainty. When businesses choose to locate in a state, factors such as the availability of a skilled workforce, infrastructure, regulatory environment, and tax structure all play a significant role. Businesses favor relocation and expansion in states where these factors remain relatively stable and consistent. For capital-intensive industries like manufacturing and research and development, investment decisions are made many years into the future. The ability for corporate decision-makers to plan anticipated costs over a span of many years is an important factor when determining long-term locations for multimillion-dollar investments. Establishing an arbitrary maximum 10-year sunset puts the long-term viability of any credit in jeopardy and, in many cases, hurts the state when it comes to a company's final location/expansion determination.

**CalTax Position: Oppose**

**Status: Vetoed by the governor.**

**Transforms Emissions Reduction Program Into a Tax.** [SB 535](#) (de León) diverts funds used for purposes of emissions reduction to fund low-income community programs. CalTax opposed the bill because revenues generated from a cap-and-trade program should be used in a manner that specifically benefits those who participate in the program.

**CalTax Position: Oppose**

**Status: Passed the Senate; Failed passage in the Assembly.**

**Eliminates Tax on Individuals Who Invest in Small Businesses.** [SB 556](#) (Gaines) conforms California tax laws to federal laws that allow non-corporate taxpayers to exclude from income

100 percent of the gain on the sale of U.S. qualified small business stock for the 2011 taxable year. CalTax supported the bill because it would encourage investment in small start-up companies that traditionally have difficulty raising capital; and would streamline and simplify tax preparation.

**CalTax Position: Support**

**Status: Failed passage in the Senate.**

**Authorizes Local Governments to Drastically Increase Gas Taxes. [SB 791](#)** (Steinberg) authorizes metropolitan planning organizations to impose a 30-year gas tax by a majority vote. CalTax opposed the bill because another tax on gasoline further increases the cost of doing business in the state, which makes everyday consumer purchases (including food) more expensive at a time when families are struggling to make ends meet.

**CalTax Position: Opposed; Bill was gutted and amended on September 9, no longer relates to the gas tax.**

**Status: Amendments on August 25 removed CalTax's concerns.**

**Creates Costly New Health Care System. [SB 810](#)** (Leno) establishes a government-run, single-payer health care system. While CalTax understands the need to improve health care access in this state, we believe that SB 810 is not the right solution. The LAO opined in a 2008 report that payroll taxes for employers and employees would need to be 4 percent higher than they are now for single-payer costs and revenues to balance. CalTax opposed the bill because the increase in taxes would discourage business growth, hurt investments and chase jobs away from this state.

**CalTax Position: Oppose**

**Status: Failed passage in the Senate.**

**Drastically Expands Local Taxing Authority. [SBX1 23](#)** (Senate Budget and Fiscal Review Committee) dramatically alters California's tax structure by extending new taxing authority to counties, school districts, community college districts, and county offices of education. California has reserved personal income taxing powers for state government, while allowing local governments to tax sales, property, utilities and to impose hotel charges, subject to voter approval. **SBX1 23** would change this fundamental structure. **SBX1 23** would result in tax increases on consumers and would create long-term economic and compliance challenges as businesses are forced to comply with, up to 58 counties, more than 1,000 school districts, 72 community college districts, and 58 county offices of education tax jurisdictions.

**CalTax Position: Oppose**

**Status: Passed the Senate; Failed passage in the Assembly.**

**Lowers Vote Threshold Needed to Approve Higher Taxes on Property. [SCA 5](#)** (Simitian) lowers the threshold needed to pass a parcel tax from a two-thirds vote of the electorate to 55 percent. CalTax opposed the measure because it would make it easier for school districts, community college districts and county offices of education to raise taxes on property. CalTax believes that students deserve high quality education; however, the parcel tax is not an equitable method of funding a student's education. The parcel tax promotes a highly regressive, onerous tax structure that runs counterintuitive to a basic fundamental theory of taxation – that taxes should be based on an individual's ability to pay. Parcel taxes are specific dollar amounts levied on every property in a given taxing district without regard to a taxpayer's income.

**CalTax Position: Oppose**

**Status: Failed passage in the Senate.**