

# Another View: New local taxing authority would be a disaster for state

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*Re "Steinberg's sensible tax plan" (Page A3, May 1):*

Columnist Dan Walters writes that a major expansion of local governments' taxing authority would lead to a "healthy economic and lifestyle competition," but the impact on Californians and our economy would be anything but healthy.

Senate Bill 653, currently moving through the state Senate, seeks to dramatically alter California's tax structure by significantly expanding the current taxing power of counties and school districts. This proposal would allow each of California's 58 counties and more than 1,000 school districts to propose to voters a new personal income tax, sales and use taxes above the current limits, new vehicle taxes and a broad array of new excise taxes.

Imagine having to pay a local income tax every year, along with your state and federal taxes! If your county and school district both imposed the tax, your paycheck would be hit with four levels of income taxation.

Along with new taxes, taxpayers would face new pitfalls. The Franchise Tax Board, which knows from experience that determining a taxpayer's residency requires an intrusive, costly and subjective process, points out that SB 653 does not specify how a taxpayer's residency in a county or school district would be determined, or how to handle taxpayers filing jointly.

Income taxes aren't the only concern. Local sales taxes above the current limits would drive up the cost of living, and the local excise taxes could include taxes on gasoline, soda and a wide range of activities and products that we use every day. This would be on top of state and federal taxes, and the state would retain the ability to increase these taxes, even after local taxes go up.

Since every county and school district would have this new taxing authority, the state would end up with a patchwork of new taxes, potentially varying wildly from one neighborhood to the next.

With California beginning to recover from the recession – evidenced by the fact that the state has collected almost \$5 billion more in personal income tax revenue this fiscal year than it did in 2009-10 – it would be disastrous to wipe out the recovery by opening the floodgates for new local tax increases.

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