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**CAL-TAX CALLS ON LEGISLATORS TO FOCUS ON UNBRIDLED SPENDING,
FRAUD AND WASTE, NOT TAX INCENTIVES**

Larry McCarthy, president of the California Taxpayers' Association, issued the following statement today in reaction to the plan announced by Treasurer Phil Angelides and some legislators to "rigorously analyze" and repeal tax incentives:

"The idea of raising taxes by eliminating incentives is misguided and a distraction from what the public wants, and that is for the Legislature and government to control the state's unbridled spending and give thorough attention to the overwhelming evidence of fraud and mismanagement.

"Their 'rigorous analysis' ought to be applied to the \$100 billion spending plan that we know has gotten little attention in recent years. They will be taking their eye off the ball and missing the largest opportunity to reduce state spending that is completely mismanaged. Just look at the Medi-Cal fraud (\$3 billion a year has been estimated), outrageous terms in labor contracts and generous retirement for public employees.

"Those pro-tax, more-spending advocates don't seem to understand there are consequences to their actions. In their quest to squeeze more revenue from the tax structure so they can spend even more on programs that may or may not be working, they are unwittingly having an impact on employers' ability to create jobs."

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