



**For Immediate Release - September 29, 2003**

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## **CAL-TAX ENDORSES SCHWARZENEGGER FOR GOVERNOR**

SACRAMENTO – The California Taxpayers' Association today announced its endorsement of Arnold Schwarzenegger for governor. This extraordinary action by the Cal-Tax Board of Directors was influenced heavily by the massive tax-increase agenda promoted by Lieutenant Governor Cruz Bustamante, the other leading candidate.

Cal-Tax President Larry McCarthy referred to the Bustamante \$8 billion tax plan as one of the most radical, anti-business, anti-jobs agendas ever proposed by a state-elected official in California.

California is facing an economic crisis and cannot afford more damage from Sacramento politicians. It is the judgment of the Cal-Tax Board that Arnold Schwarzenegger is the only viable candidate who can win this October 7 election and move California in a positive direction.

McCarthy said: "Mr. Bustamante's tax threat is a hostile and unwelcome message to businesses operating in California and those that would consider investing in California. This tax increase agenda tells voters that Cruz Bustamante, if elected, would make California a substantially more expensive place to operate businesses. The Bustamante tax increases would cripple the California economy."

McCarthy stated emphatically that tax increases are unnecessary. "California taxpayers now pay more than enough to ensure quality schools, public safety, highways, public works and safety net programs for those in need. The problem is Sacramento's reckless mismanagement of the \$100 billion state budget."

In its 77-year history, Cal-Tax has not endorsed candidates for elective office, but took this action because of the extraordinary recall election, the rapidly deteriorating California business climate, and the profound contrast between the leading candidates. "Unprecedented times require unprecedented actions," McCarthy said. The board took the position during a meeting September 26.

McCarthy also noted that California received a failing grade in a recently released business climate comparison with other states by the Jobs 1st Coalition. Looking at worker compensation, litigation, tax burden, and other important business costs, California receives an "F" grade. California is not competitive for business. In another recent study, the Tax Foundation in Washington, D.C., reported that California's business climate ranked 49th among the states.

The Cal-Tax board did not take a position on the question of the recall itself.

Founded in 1926, Cal-Tax has long provided a moderate voice in debates over taxes and spending. It is a business-oriented research and advocacy association with a dual mission to guard against unnecessary taxation and promote efficient, quality government services.