



For Immediate Release – September 7, 2005
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ANOTHER SNEAK ATTACK ON TAXPAYERS AS PART OF A 2005-06 BUDGET TRAILER BILL

SACRAMENTO – Trying again to “slip one by” and circumvent the recently approved state budget, a legislative committee is proposing a new tax – calling it a fee – to pay for the cost of state government. The bill, representing another one of the Legislature’s end-of-session “gut-and-amend” tactics, is designed to jam unsuspecting lawmakers and others. It shows that the big spenders at the Capitol can’t help themselves when it comes to new spending.

“Who do they think they’re fooling?” said Larry McCarthy, president of the California Taxpayers’ Association. “Californians have gotten wise to these tricks and it’s about time the Legislature understood that.”

McCarthy said that an obscure provision in SB 69, authored by the Senate Budget and Fiscal Review Committee, would allow the Department of Fish and Game to recalculate an existing \$25 filing fee based on what it determines, on its own, the fee should be. McCarthy said SB 69 gives this government agency a blank check – that it has never had before – to dodge the spending limits created by the budget and raise whatever it wants to fund whatever it believes it needs.

“Depending on what their appetite is at any given time,” said McCarthy of the department, “they could decide one day to charge \$100, or \$200, or \$1,000 and no one could challenge it.” Today, said McCarthy, at least the fee amounts must be approved by a majority in the Legislature.

A coalition of more than 60 industry groups, anticipating this sort of legislative behavior, announced its opposition to such damaging and irresponsible new taxes at a press conference May 31. A list of the members of the “Hidden Taxes Coalition” is found at: <http://www.caltax.org/StopHiddenTaxes.htm>.

The Hidden Taxes Coalition is convinced by history that California’s largest revenue opportunity for government is an economy that is growing. When the economy improves, state revenues surge. However, imposing new taxes causes the opposite effect, threatening the economy and the state revenues it would bring. That’s why all proposed state taxes – including taxes disguised as fees – must be subjected to the scrutiny required by a two-thirds legislative vote.

“We strongly urge the Legislature and the governor to resist new taxes disguised as fees and that means to drop this hidden-tax provision from SB 69,” said McCarthy. “If

the California state budget is to stabilize and the economy is to grow, the game of hiding new taxes must be stopped.”

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