



NEWS

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COALITION WARNS SB 653 WOULD OPEN TAXATION FLOODGATES

SACRAMENTO – A new Senate bill would open the floodgates for new local personal income taxes, corporate income taxes and local, non-uniform sales and use taxes was the stern warning today from Californians Against Higher Taxes.

SB 653 would dramatically expand the taxing powers of local governments, allowing county boards of supervisors to place such taxes before voters, with many requiring just a majority vote to pass.

Californians Against Higher Taxes is a statewide coalition of small businesses, taxpayer organizations and large employers which believes more jobs – not more taxes – will provide the increased revenue needed to fund programs Californians agree are critical.

“SB 653 is an attempt to flood our counties with new taxes on income, sales, products, and services - just about anything the county board of supervisors can think of.” said Teresa Casazza, president of the California Taxpayers Association. “SB 653 would lead to taxation without representation. Taxpayers, who live in one county but work in another, could find proposals to tax their income without the ability to vote on the measure or subsequent changes. “Local corporate income taxes would lead to an accounting nightmare with companies required to determine how much income was derived in different counties. Meanwhile, different counties could have different tax rates and different formulas for apportioning corporate income.

(more ... quote open)

Paid for by Californians Against Higher Taxes

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“Allowing counties to impose sales and use taxes beyond what is currently permissible would lead to different items being taxable in different counties as well as competition between counties with negative impacts on some businesses.

“Trying to cope with higher and different types of taxes in 58 different counties would only serve to further drive business and economic activity out of California at a time we need to increase jobs, not kill them,” said Casazza.

California’s unemployment rate is a staggering 12.4%, well above the national rate of 8.8%.

Casazza added that under Proposition 26, SB 653 should require a two-thirds majority vote of the legislature to become law. Prop. 26 requires a two-thirds vote for any law that will result in higher taxes, which is the very purpose of SB 653. Right now the bill is keyed for a simple majority vote of the state legislature.

In addition, by exploiting a loophole, there is little doubt tax proponents would attempt to enact these new and higher taxes with a simple majority of local voters rather than the two-thirds vote currently required for special taxes. Under this scheme, counties would place a general tax on the ballot for majority vote approval while promising in a companion measure that the money would be used for certain programs.

More information is available at www.MoreJobsNotTaxes.com.

Members of the coalition include the California Chamber of Commerce, National Federation of Independent Business (NFIB)/California, California Taxpayers Association, Small Business Action Committee, California Farm Bureau Federation, California Restaurant Association, California Small Business Alliance, California Trucking Association, American Council of Engineering Companies-California and the Neighborhood Market Association.

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