



**For Immediate Release – October 2, 2006**

## **Cal-Tax: Schwarzenegger Vetoes All Six Major Tax Threat Bills and Signs All Six Good Fiscal Policy Measures**

SACRAMENTO – Governor Arnold Schwarzenegger, completing legislative actions on Saturday, September 30, vetoed all six bills on Cal-Tax’s list of major tax threats. He also signed all six bills supported by Cal-Tax as good fiscal policies.

Larry McCarthy, president of the California Taxpayers’ Association, said: “These actions by the governor underscore his commitment to protect taxpayers and this state’s economy. We applaud the governor’s determination. His actions send an important message to those who would invest in California that they will not be subject to runaway tax increases.

“Cal-Tax’s Board of Directors endorsed the governor’s re-election because we believe he will protect taxpayers against threats of higher taxation and reject bills with tax-like fees.”

On the final day for action on hundreds of bills passed by the Legislature in August, the governor announced his veto of **AB 1614** (Ruskin), which sought to retroactively redefine the apportionment provisions of the limited liability companies fee. This fee has been struck down as unconstitutional. In his September 30 veto message, the governor cited pending litigation and said it is “premature to take legislative action at this time.”

Governor Schwarzenegger vetoed five other Cal-Tax “tax threat” bills earlier in September.

Recent signings of “good fiscal policy” bills include **AB 1550** (Arambula), providing reforms to the Enterprize Zone program and extending program designations.

Here is a [link](#) to the key bills and the governor’s actions.

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