

TAX WATCH

Major taxes and fees introduced
in the California Legislature



**CALIFORNIA
TAX FOUNDATION**SM

Established by CalTax in 1980

Updated Through the End of the
2017 Legislative Session

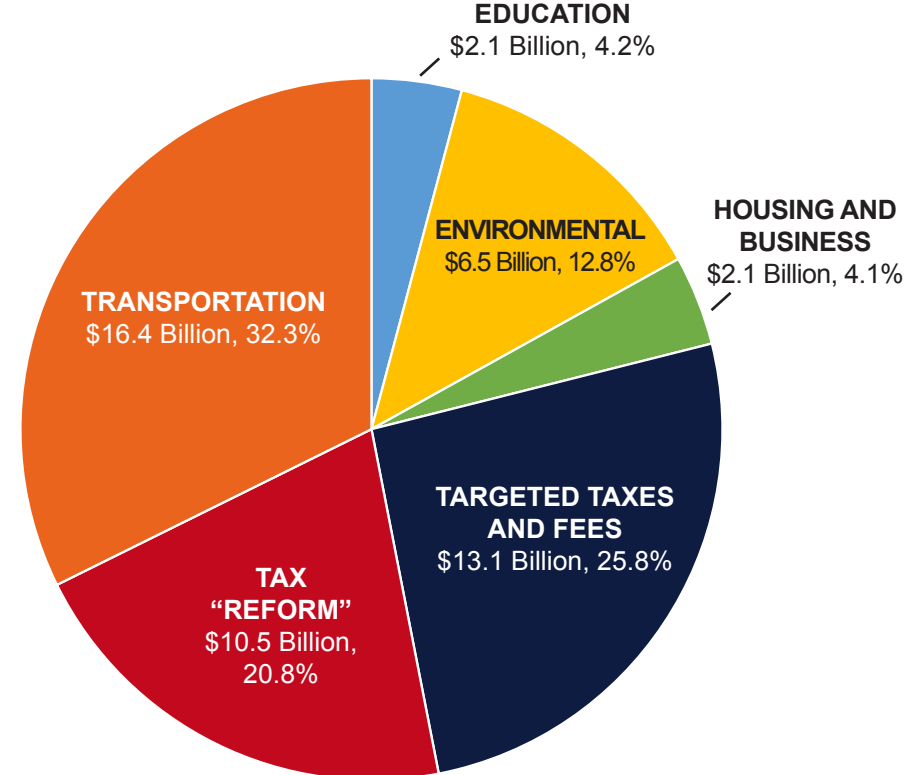
California lawmakers have proposed more taxes and fees in the first half of the 2017-18 legislative session than in all of 2015 or 2016. If each proposal became law, the tax burden in California would increase by more than \$373 billion per year. To put this in context, all revenue in the 2017-18 State Budget is expected to bring in \$178.4 billion.

These tax and fee proposals have been introduced at a time when revenue continues to grow, and California is nearing its taxing capacity under the Gann Spending Limit. Under the limit, if proceeds of taxes exceed the revenue limit, funds must be divided 50-50 between education and taxpayers (by a reduction in tax rates – the last time California reached the limit, rebates were provided directly to taxpayers, but this refund process is not officially recognized in law). As noted in a March 2 Legislative Analyst’s Office report on the state budget, “If revenues increase ... or the Legislature approves additional tax levies, the state could find itself on the brink of exceeding the state appropriations limit.”

With the first year of the 2017-18 legislative session closed, this report identifies the cumulative amount of higher taxes, fees, assessments, and charges that lawmakers supported through votes or as authors/coauthors.

Since the start of session in December, lawmakers have introduced 2,584 bills and constitutional amendments. This report identifies 89 proposals that increase taxes, fees, assessments or other charges.

MAJOR ANNUAL TAX AND FEE PROPOSALS BY SUBJECT AREA*



**Excludes Single-Payer Health Care Tax (SB 562, Lara), which increases taxes by \$200 billion to fund a state-run health program; and Sales Tax on Services (SB 640, Hertzberg), which increases taxes up to \$122.63 billion by expanding the retail sales tax to services.*

**\$373.4
BILLION**

California lawmakers have introduced 89 proposals that cumulatively would cost taxpayers more than \$373 billion annually in higher taxes and fees.

KEY FINDINGS

- This year, lawmakers approved, and the governor signed, legislation increasing taxes and fees by \$8.75 billion annually.
- The Legislature proposed increasing taxes and fees at an average rate of \$9.1 billion per week in 2017.
- The cumulative cost of proposals introduced in 2017 is the highest amount identified since Tax Watch report was first published in 2015.
- There are 17 bills that seek to impose higher taxes or fees for transportation-related activities, ranging from additional funds for roads and highways to higher costs for tires and airport rental cars. These bills would cost taxpayers \$16.4 billion annually.
- A total of 35 bills propose higher taxes and fees on businesses and housing, costing taxpayers more than \$2.1 billion annually. These bills would increase costs for bartenders, dentists, contractors, students, pharmacists and real estate agents, among others.
- This year's initial *Tax Watch*, released April 17, found that proposals introduced as of that date had a cumulative annual cost of more than \$155 billion. That figure more than doubled in the intervening months.
- Senator Bob Hertzberg supported \$337.3 billion in higher taxes, fees, assessments and other charges – more than any other lawmaker.
- Assembly Member Travis Allen supported fewer tax or fee increases than any other lawmaker.

TOP 5 MOST COSTLY BILLS

The five most expensive bills signed into law or being considered by the Legislature:



SB 562 – SINGLE-PAYER HEALTH CARE TAX

STATUS: IN COMMITTEE
COST: \$200 BILLION



SB 640 – SALES TAX ON SERVICES

STATUS: TWO-YEAR BILL
COST: \$122.63 BILLION



ACA 2 – GROCERIES, SNACKS & CANDY TAX

STATUS: IN COMMITTEE
COST: \$8.65 BILLION



SB 1 – TRANSPORTATION TAXES AND FEES

STATUS: SIGNED INTO LAW
COST: \$5.2 BILLION



SB 726 – DEATH TAX

STATUS: IN COMMITTEE
COST: \$4.52 BILLION

METHODOLOGY

The California Tax Foundation reviewed each bill and constitutional amendment introduced or amended between December 5, 2016, and September 15, 2017, for tax- and fee-related provisions. Under Proposition 26, a tax is defined as any levy or exaction that results in a taxpayer paying a higher tax, including any unreasonable or excessive fee. This report includes any bill that imposes or authorizes higher taxes or tax-like “fees,” as well as any bill that increases a regulatory and/or license fee, user charge, or other cost charged for receiving a specific government service or benefit. Legislation imposing fines, penalties and other costs for violating state or local laws has been excluded. This report also excludes legislation

estimated to generate less than \$1 million in net revenue.

Our report also notes whether a proposal is no longer active due to legislative procedural rules, or if a lawmaker has amended the bill to remove the proposed tax or fee.

Revenue estimates were taken from legislative committee and floor analyses, and analyses from the state tax agencies. When an estimate had not been prepared for a bill, the California Tax Foundation used recent data from prior legislative or agency analyses of similar legislation. When estimates provided a revenue range, the lowest figure was used to calculate a revenue total. Bills imposing identical taxes or fees are included in this report, but were counted only once for purposes of calculating a revenue total.

LEGISLATIVE SUPPORT OF TAXES AND FEES

LAWMAKERS WHO SUPPORTED THE HIGHEST AMOUNT OF TAXES OR FEES

1. **Senator Bob Hertzberg (D - Van Nuys) – \$337.4 Billion**
2. **Senator Scott Wiener (D - San Francisco) – \$223.9 Billion**
3. **Senator Bob Wieckowski (D - Fremont) – \$215.1 Billion**
4. **Senator Ricardo Lara (D - Long Beach) – \$214.7 Billion**
5. **Senator Ed Hernandez (D - West Covina) – \$214.7 Billion**
6. **Senator Jim Beall (D - Campbell) – \$214.7 Billion**
7. **Senator Mike McGuire (D - Santa Rosa) – \$214.7 Billion**
8. **Assembly Member Rob Bonta (D - Oakland) – \$211.5 Billion**
9. **Assembly Member Kevin McCarty (D - Sacramento) – \$211.4 Billion**
10. **Senator Bill Dodd (D - Vacaville) – \$211.4 Billion**

LAWMAKERS WHO SUPPORTED THE LOWEST AMOUNT OF TAXES OR FEES

1. **Assembly Member Travis Allen (R - Huntington Beach) – \$7.5 Million**
2. **Assembly Member Jay Obernolte (R - Hesperia) – \$13.5 Million**
3. **Senator Janet Nguyen (R - Garden Grove) – \$14.8 Million**
4. **Senator Mike Morrell (R - Rancho Cucamonga) – \$16.9 Million**
5. **Assembly Member Steven Choi (R - Irvine) – \$22.2 Million**
6. **Assembly Member Tom Lackey (R - Palmdale) – \$29.6 Million**
7. **Senator Ted Gaines (R - Granite Bay) – \$41.1 Million**
8. **Senator Patricia Bates (R - Laguna Hills) – \$41.1 Million**
9. **Assembly Member Jim Patterson (R - Fresno) – \$42.2 Million**
10. **Assembly Member Melissa Melendez (R - Murrieta) – \$42.2 Million**

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Single-Payer Health Care Tax – SB 562 (Lara)	\$200 Billion	②
Sales Tax on Services – SB 640 (Hertzberg)	\$122.6 Billion	②
Groceries, Snacks and Candy Tax – ACA 2 and AB 274 (Cristina Garcia)	\$8.6 Billion*	②
County Car Tax – SB 421 (Weiner)	\$8 Billion	☠
Transportation Taxes and Fees – SB 1 (Beall)	\$5.2 Billion*	✓
Death Tax – SB 726 (Weiner)	\$5 Billion	②
Soda Tax – AB 1003 (Bloom)	\$4 Billion	②
Cap-and-Trade Auction Tax – SB 775 (Wieckowski)	\$4 Billion*	☠
Multiple Income Tax Increases – SB 567 (Lara)	\$3.5 Billion	②
Cap-and-Trade Extension – AB 378 (Cristina Garcia), AB 398 (Eduardo Garcia), and AB 151 (Burke)	\$2.2 Billion*	☠ / ✓ / ☠
Taxing the Rich to Pay for College – AB 1356 (Eggman)	\$2.1 Billion	②
Higher Local Taxes – ACA 4 (Aguilar-Curry)	Billions of Dollars	②
Local Transportation Tax Increase – SCA 6 (Weiner)	\$1.9 Billion	②

Key

- * Similar or identical versions of this proposal were introduced. For purposes of calculating a revenue total, the revenue effect was counted only once.
- ✓ The legislation was signed into law by the governor.
- ☠ The legislation is effectively “dead” because the tax/fee provisions of the bill have been amended out of the current version of the bill; the bill failed a deadline; or the bill was rejected by a house of the Legislature or legislative committee.
- ② The bill will not be advanced this year, but could be acted upon in the second year of the two-year session.

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Sales and Use Tax Increase – ACA 11 (Caballero)	\$1.5 Billion	②
Los Angeles County Rain Tax – AB 1180 (Holden)	\$270 Million	✓
San Diego Sales Tax Increase – AB 805 (Gonzalez Fletcher)	\$270 Million	✓
Tax Increase on Rental Homes – AB 71 (Chiu)	\$240 Million	②
Property Transfer Recording Tax – SB 2 (Atkins)	\$200 Million	✓
Property Tax Increase to Fund Libraries – SCA 3 (Dodd)	Hundreds of Millions of Dollars	②
Riverside Sales Tax Increase – AB 1189 (Eduardo Garcia)	\$164.6 Million	✓
Prison Contract Services Tax – AB 43 (Thurmond)	\$150 Million	②
Alameda County Sales Tax Increase – SB 703 (Skinner)	\$148.9 Million	✓
Water, Milk and Fertilizer Tax – SB 623 (Monning)	\$109.1 Million	②
SF Peninsula Sales Tax Increase – SB 797 (Hill)	\$100 Million	✓
Tax on Pain Medications – AB 1512 (McCarty)	\$88.1 Million	②
San Mateo Sales Tax Increase – AB 1613 (Mullin)	\$85 Million	✓

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PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Alcohol Tax Increase – AB 479 (Gonzalez Fletcher)	\$80 Million	②
Smog Check Abatement Fee – AB 1274 (O'Donnell)	\$67 Million	✓
Internet Poker Tax – AB 1677 (Jones-Sawyer)	\$60 Million	②
Tire Tax Increase – AB 1180 (Holden)	\$57 Million	☠
Sales Tax Deduction Elimination – AB 1305 (Cristina Garcia)	\$40 Million	②
Tire Recycling Fee Expansion – AB 509 (Frazier)	\$38 Million	②
Ambulance Tax – SB 523 (Hernandez)	\$30 Million	✓
Battery Manufacturer Fee – AB 1663 (Garcia)	\$16 Million	②
Off-Highway Vehicle Fees – AB 1077 (O'Donnell)	\$10 Million	②
Oakland Airport Rental Car Fee – AB 218 (Bonta)	\$7.5 Million	✓
Business License Fee – AB 1379 (Thurmond)	\$6 Million	✓
Diesel Fuel Tax Refunds – AB 1374 (Salas)	\$5.6 Million	②
Professional License Fees – SB 547 (Hill)	\$4.7 Million	✓

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- ② The bill will not be advanced this year, but could be acted upon in the second year of the two-year session.

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Athletic Conference Fees – AB 1435 (Gonzalez Fletcher)	\$4 Million	②
Dentistry Anesthesia Fee – AB 224 (Thurmond) / SB 501 (Glazer)	\$3.6 Million	②
Mussel Fee – AB 1587 (Levine)	\$2.5 Million	②
Umbilical Cord Research Tax – SB 23 (Portantino)	\$2.5 Million	②
Crowd-Funding Fee – AB 1517 (Muratsuchi)	\$1.5 Million	②
Endangered Species Fee – SB 473 (Hertzberg)	\$1.5 Million	②
Vehicle Emission Testing Fee – AB 582 (Cristina Garcia)	\$1.4 Million	②
Fee on Alcoholic Beverage Licenses – SB 384 (Wiener)	\$1.25 Million	☠
Edible Marijuana Packaging Fee – AB 175 (Chau)	\$1.2 Million	②
Tax Increase on Punitive Damages – SB 66 (Wieckowski)	\$1.2 Million	②
Loan Facilitator Fee – SB 297 (Dodd)	\$1.1 Million	②
Lead Paint Enforcement Fee – SB 377 (Monning)	\$1.1 Million	②

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TOTAL TAXES AND FEES SUPPORTED BY STATE SENATORS

Ben Allen (D – Redondo Beach)	\$211,174,527,833
Joel Anderson (R – El Cajon)	\$2,259,550,000
Toni Atkins (D – San Diego)	\$208,771,777,833
Patricia Bates (R – Laguna Hills)	\$41,100,000
Jim Beall (D – Campbell)	\$214,679,727,833
Tom Berryhill (R – Oakdale)	\$2,314,100,000
Steven Bradford (D – Inglewood)	\$209,009,750,000
Anthony Cannella (R – Merced)	\$5,702,170,000
Kevin de León (D – Los Angeles)	\$209,118,850,000
Bill Dodd (D – Vacaville)	\$211,419,950,000
Jean Fuller (R – Bakersfield)	\$42,300,000
Ted Gaines (R – Granite Bay)	\$41,100,000
Cathleen Galgiani (D – Stockton)	\$208,740,850,000
Steve Glazer (D – Antioch)	\$3,510,950,000
Ed Hernandez (D – West Covina)	\$214,685,007,833
Bob Hertzberg (D – Van Nuys)	\$337,389,907,833
Jerry Hill (D – San Mateo)	\$209,250,370,000
Ben Hueso (D – Chula Vista)	\$8,945,100,000
Hannah-Beth Jackson (D – Santa Barbara)	\$209,011,000,000
Ricardo Lara (D – Long Beach)	\$214,718,827,833

Connie Leyva (D – Chino)	\$209,209,850,000
Mike McGuire (D – Santa Rosa)	\$214,679,727,833
Tony Mendoza (D – Cerritos)	\$210,695,727,833
Holly Mitchell (D – Los Angeles)	\$209,009,850,000
William Monning (D – Santa Cruz)	\$208,760,050,000
John Moorlach (R – Costa Mesa)	\$47,050,000
Mike Morrell (R – Rancho Cucamonga)	\$16,900,000
Josh Newman (D – Brea)	\$208,578,850,000
Janet Nguyen (R – Garden Grove)	\$14,800,000
Jim Nielsen (R – Roseville)	\$43,600,000
Richard Pan (D – Sacramento)	\$9,010,950,000
Anthony Portantino (D – Glendale)	\$209,012,250,000
Richard Roth (D – Riverside)	\$8,028,970,000
Nancy Skinner (D – Oakland)	\$211,007,327,833
Henry Stern (D – Calabasas)	\$209,250,420,000
Jeff Stone (R – Indio)	\$127,650,000
Andy Vidak (R – Fresno)	\$158,500,000
Bob Wieckowski (D – Fremont)	\$215,140,327,833
Scott Wiener (D – San Francisco)	\$223,969,327,833
Scott Wilk (R – Lancaster)	\$51,800,000

TOTAL TAXES AND FEES SUPPORTED BY ASSEMBLY MEMBERS

Dante Acosta (R – Valencia)	\$49,620,000
Cecilia Aguiar-Curry (D – Woodland)	\$11,053,070,000
Travis Allen (R – Huntington Beach)	\$7,500,000
Joaquin Arambula (D – Fresno)	\$8,754,020,000
Catharine Baker (R – San Ramon)	\$2,320,220,000
Marc Berman (D – Los Altos)	\$9,051,820,000
Franklin Bigelow (R – Jackson)	\$42,200,000
Richard Bloom (D – Santa Monica)	\$13,134,770,000
Raul Bocanegra (D – San Fernando)	\$9,445,670,000
Rob Bonta (D – Oakland)	\$211,483,776,166
William Brough (R – San Juan Capistrano)	\$44,750,000
Autumn Burke (D – Inglewood)	\$9,531,426,166
Anna Caballero (D – Salinas)	\$10,243,820,000
Ian Calderon (D – City of Industry)	\$9,295,670,000
Sabrina Cervantes (D – Corona)	\$5,292,420,000
Ed Chau (D – Monterey Park)	\$9,354,170,000
Rocky Chávez (R – Oceanside)	\$2,249,400,000
Phillip Chen (R – Brea)	\$49,300,000
David Chiu (D – San Francisco)	\$211,293,320,000
Steven Choi (R – Irvine)	\$22,200,000

Kansen Chu (D – Milpitas)	\$9,063,320,000
Ken Cooley (D – Rancho Cordova)	\$8,390,470,000
Jim Cooper (D – Elk Grove)	\$9,049,070,000
Jordan Cunningham (R – San Luis Obispo)	\$2,249,620,000
Matthew Dababneh (D – Van Nuys)	\$9,175,670,000
Brian Dahle (R – Redding)	\$65,300,000
Tom Daly (D – Anaheim)	\$9,045,470,000
Susan Eggman (D – Stockton)	\$13,161,950,000
Heath Flora (R – Modesto)	\$2,317,820,000
Vince Fong (R – Bakersfield)	\$44,920,000
Jim Frazier (D – Fairfield)	\$11,142,220,000
Laura Friedman (D – Burbank)	\$209,378,670,000
James Gallagher (R – Chico)	\$156,356,166
Cristina Garcia (D – Downey)	\$20,106,520,000
Eduardo Garcia (D – Coachella)	\$13,388,170,000
Mike Gipson (D – Gardena)	\$9,443,070,000
Todd Gloria (D – San Diego)	\$11,059,720,000
Jimmy Gomez (D – Los Angeles)	\$207,517,820,000
Lorena Gonzalez Fletcher (D – San Diego)	\$9,375,670,000
Adam Gray (D – Merced)	\$6,623,970,000

TOTAL TAXES AND FEES SUPPORTED BY ASSEMBLY MEMBERS

Timothy Grayson (D – Concord)	\$9,045,720,000
Matthew Harper (R – Costa Mesa)	\$47,500,000
Chris Holden (D – Pasadena)	\$9,236,520,000
Jacqui Irwin (D – Camarillo)	\$8,156,220,000
Reginald Jones-Sawyer (D – Los Angeles)	\$11,215,670,000
Ash Kalra (D – San Jose)	\$209,293,320,000
Kevin Kiley (R – Granite Bay)	\$50,650,000
Tom Lackey (R – Palmdale)	\$29,620,000
Marc Levine (D – San Rafael)	\$9,025,320,000
Monique Limón (D – Santa Barbara)	\$11,434,826,166
Evan Low (D – Cupertino)	\$9,053,070,000
Brian Maienschein (R – San Diego)	\$256,320,000
Devon Mathis (R – Visalia)	\$2,243,500,000
Chad Mayes (R – Rancho Mirage)	\$2,242,200,000
Kevin McCarty (D – Sacramento)	\$211,436,926,166
Jose Medina (D – Riverside)	\$9,010,220,000
Melissa Melendez (R – Murrieta)	\$42,200,000
Kevin Mullin (D – San Mateo)	\$11,521,820,000
Al Muratsuchi (D – Torrance)	\$7,778,820,000
Adrin Nazarian (D – Van Nuys)	\$211,241,426,166

Jay Obernolte (R – Hesperia)	\$13,450,000
Patrick O'Donnell (D – Long Beach)	\$9,048,220,000
Jim Patterson (R – Fresno)	\$42,200,000
Bill Quirk (D – Hayward)	\$11,725,020,000
Sharon Quirk-Silva (D – Buena Park)	\$5,920,620,000
Anthony Rendon (D – South Gate)	\$9,051,820,000
Eloise Gómez Reyes (D – San Bernardino)	\$9,297,170,000
Sebastian Ridley-Thomas (D – Los Angeles)	\$9,247,926,166
Freddie Rodriguez (D – Chino)	\$9,136,326,166
Blanca Rubio (D – West Covina)	\$11,063,070,000
Rudy Salas (D – Bakersfield)	\$3,442,070,000
Miguel Santiago (D – Los Angeles)	\$11,137,576,166
Marc Steinorth (R – Rancho Cucamonga)	\$2,249,620,000
Mark Stone (D – Santa Cruz)	\$211,210,320,000
Tony Thurmond (D – Oakland)	\$209,301,426,166
Philip Ting (D – San Francisco)	\$11,293,320,000
Randy Voepel (R – Santee)	\$49,400,000
Marie Waldron (R – Escondido)	\$49,400,000
Shirley Weber (D – San Diego)	\$11,153,320,000
Jim Wood (D – Santa Rosa)	\$9,117,826,166

LEGISLATION WITH KNOWN COSTS

ASSEMBLY BILL 1



TRANSPORTATION TAXES AND FEES

AB 1 (Frazier) increases transportation taxes and fees (including diesel and gasoline excise taxes) to increase funding for roads, highways, public transportation and intercity rail. The State Board of Equalization would adjust the excise taxes and sales taxes annually for inflation. The bill also increases the vehicle registration fee for standard vehicles by \$38 annually, and by \$165 for zero-emission electric vehicles.

This bill would cost taxpayers \$5.5 billion for fiscal year 2017-18. This report includes the revenue estimate from a similar bill, SB 1, for purposes of the cumulative revenue total.

Status: Inactive

Version Reviewed: Introduced – 12/5/2016

Legislative Vote Needed for Approval: 2/3

\$5.23 BILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 43



PRISON CONTRACT SERVICES TAX

AB 43 (Thurmond) imposes a 10 percent tax on any contract with a state prison, the Department of Corrections and Rehabilitation, or the Department of General Services to provide a state prison with goods and services. The tax would be based on the value of the final contract. Revenue would be deposited into a newly created State Incarceration Prevention Fund for the purposes of providing services to prevent people from being incarcerated, and providing early intervention programs.

This bill would cost taxpayers \$150 million annually.

Status: Inactive – Held on the Assembly Appropriations Committee suspense file.

Version Reviewed: Amended – 5/10/2017

Legislative Vote Needed for Approval: 2/3

\$150 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 71



TAX INCREASE ON RENTAL HOMES

AB 71 (Chiu) eliminates the mortgage interest deduction for second homes, including rental housing. This bill will cost taxpayers approximately \$240 million annually.

Status: Active

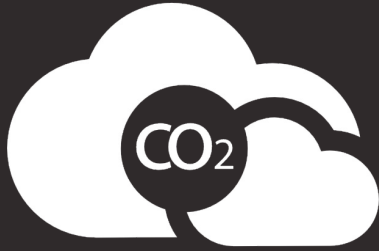
Version Reviewed: Amended – 5/18/2017

Legislative Vote Needed for Approval: 2/3

\$240 MILLION

Revenue Estimate: Franchise Tax Board.

ASSEMBLY BILL 151



CAP-AND-TRADE AUCTION EXTENSION

AB 151 (Burke) extends the cap-and-trade auction by eliminating the 2020 sunset date. Legislative counsel has opined that the current cap-and-trade auction cannot continue beyond 2020, because AB 32 of 2006 set emission-reduction goals only through that year.

The governor's proposed 2017-18 state budget estimates the cap-and-trade auction will generate \$2.2 billion. Revenue from the auction is expected to increase annually by an unknown amount. For purposes of this bill, AB 378, and AB 398, this report includes the revenue estimate from a cap-and-trade extension only once for the cumulative revenue total.

Status: Inactive – Amendments on 5/2/2017 removed tax/fee provisions.

Version Reviewed: Amended – 3/2/2017

Legislative Vote Needed for Approval: Majority

\$2.2 BILLION

Revenue Estimate: Governor's January Budget for 2017-18.

ASSEMBLY BILL 175



EDIBLE MARIJUANA PACKAGING FEE

AB 175 (Chau) requires a manufacturer of an edible marijuana product to submit the product to state regulators for review of labeling and packaging, before the product is brought to market. Manufacturers would be charged a fee to cover regulatory costs.

This bill will cost taxpayers \$1.2 million annually beginning in 2018-19.

Status: Two-Year Bill

Version Reviewed: Amended – 7/19/2017

Legislative Vote Needed for Approval: Majority

\$1.2 MILLION

Revenue Estimate: Department of Finance.

ASSEMBLY BILL 218



OAKLAND AIRPORT RENTAL CAR FEE

AB 218 (Bonta) authorizes the Oakland International Airport to continue collecting a "customer facility charge" from car rental companies, not to exceed \$10. The airport may not collect more than one customer facility charge in connection with a single rental.

The fee currently costs taxpayers more than \$7.5 million annually.

Status: Signed into law (Chapter 311).

Version Reviewed: Amended – 7/6/2017

Legislative Vote Needed for Approval: Majority

\$7.5 MILLION

Revenue Estimate: Oakland International Airport, 2016-17 Master Plan.

ASSEMBLY BILL 224



DENTISTRY ANESTHESIA FEE

AB 224 (Thurmond) requires a dentist who administers or orders pediatric minimal sedation to submit an application and an application fee to produce evidence that he or she has successfully completed training in pediatric minimal sedation programs.

This bill will increase state regulatory costs by \$3.6 million, which will be covered by application fees.

Status: Two-Year Bill

Version Reviewed: Amended – 5/30/2017

Legislative Vote Needed for Approval: Majority

\$3.6 MILLION

Revenue Estimate: Assembly Appropriations Committee.

ASSEMBLY BILL 274



SNACK AND CANDY TAX

AB 274 (Garcia) imposes a sales and use tax on snacks and candy, as defined. Proposition 163 of 1992 prohibits the Legislature from taxing such food products. AB 274 would not become law unless ACA 2 is approved by voters at the next statewide election. That measure allows the Legislature to tax snacks and candy, as well as other food products not currently subject to tax.

If Proposition 163 of 1992 is repealed by voters, and the Legislature taxes snacks and candy, taxpayers could pay more than \$942 million annually in higher sales and use taxes. (For purposes of this report, the estimate for AB 274 and ACA 2 counts the tax on snacks/candy only once.)

Status: Active

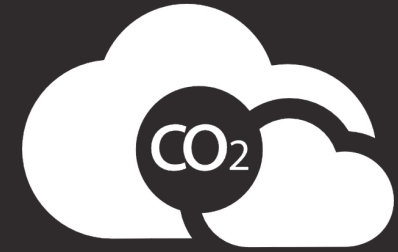
Version Reviewed: Amended – 5/1/2017

Legislative Vote Needed for Approval: 2/3

\$942 MILLION

Revenue Estimate: Department of Finance.

ASSEMBLY BILL 378



CAP-AND-TRADE AUCTION EXTENSION

AB 378 (Cristina Garcia) utilizes a command-and-control approach to extend the California Air Resources Board's authority to adopt emission-reduction measures past 2020 to December 31, 2030, effectively extending the life of the cap-and-trade auction.

The 2017-18 state budget estimates the auction will generate \$2.2 billion. Revenue from the auction is expected to increase annually by an unknown amount. For purposes of this bill, AB 151, and AB 398, this report includes the revenue estimate from a cap-and-trade extension only once for the cumulative revenue total.

Status: Inactive – The bill failed passage in the Assembly by a vote of 35-39 on 6/1/2017.

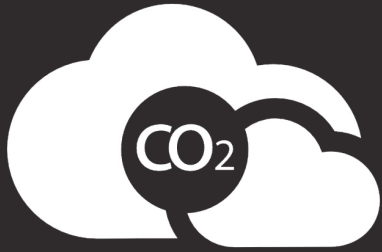
Version Reviewed: Amended – 5/30/2017

Legislative Vote Needed for Approval: Majority

\$2.2 BILLION

Revenue Estimate: Governor's January Budget for 2017-18.

ASSEMBLY BILL 398



CAP-AND-TRADE AUCTION EXTENSION

AB 398 (Eduardo Garcia) utilizes a market-based approach to extend the cap-and-trade auction from 2020 to 2030, suspends the fire tax through 2031, and extends and expands the partial state sales and use tax exemption for manufacturing equipment through 2030.

The 2017-18 state budget estimates the auction will generate \$2.2 billion. Revenue from the auction is expected to increase annually by an unknown amount. For purposes of this bill, AB 151 and AB 378, this report includes the revenue estimate from a cap-and-trade extension only once for the cumulative revenue total.

Status: Signed into law (Chapter 135).

Version Reviewed: Amended – 7/14/2017

Legislative Vote Needed for Approval: 2/3

\$2.2 BILLION

Revenue Estimate: Governor's January Budget for 2017-18.

ASSEMBLY BILL 479



ALCOHOL TAX INCREASE

AB 479 (Gonzalez Fletcher) imposes a tax of \$1.20 per gallon on distilled spirits at or under 100 proof, and \$2.40 per gallon for distilled spirits over 100 proof, in addition to existing liquor taxes. Revenue would be used to replace sales tax revenue foregone to a proposed exemption for diapers, tampons and other feminine hygiene products.

This bill will cost taxpayers more than \$80 million annually.

Status: Dead – Failed passage in the Assembly Revenue and Taxation Committee on 5/8/2017

Version Reviewed: Amended – 3/27/2017

Legislative Vote Needed for Approval: 2/3

\$80 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 509



TIRE RECYCLING FEE EXPANSION

AB 509 (Frazier) imposes a new fee, not to exceed \$1 per new tire, on waste tire generators who also are retail sellers of new tires.

This bill will cost taxpayers \$18.5 million in the first fiscal year, and \$38 million annually, once fully implemented.

Status: Two-Year Bill

Version Reviewed: Amended – 4/20/2017

Legislative Vote Needed for Approval: Majority

\$38 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 582



VEHICLE EMISSION TESTING FEE

AB 582 (Cristina Garcia) authorizes a new fee to cover program costs for vehicle emission surveillance, and allows the California Air Resources Board to enter into agreements with non-state entities to conduct testing or develop new testing methods. This bill is proposed to ensure that automakers' emissions reports are accurate.

This bill will cost taxpayers \$1.42 million annually, if ARB implements a new fee to cover program costs.

Status: Two-Year Bill

Version Reviewed: Amended – 8/21/2017

Legislative Vote Needed for Approval: Majority

\$1.42 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 805



SAN DIEGO SALES TAX INCREASE

AB 805 (Gonzalez Fletcher) authorizes the San Diego Metropolitan Transit System and the North County Transit District to impose a local transportation sales tax and issue bonds.

This bill will cost taxpayers \$270 million annually, if voters approve higher local sales taxes.

Status: Signed into law (Chapter 658).

Version Reviewed: Amended – 8/21/2017

Legislative Vote Needed for Approval: Majority

\$270 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 1003



SODA TAX

AB 1003 (Bloom) imposes a tax of 2 cents per fluid ounce on certain sugar-sweetened beverage products, and deposits this revenue into a newly created California Community Health Fund. The purpose of the fund is to reduce diabetes, obesity, heart disease, and dental disease.

This bill will cost taxpayers \$4 billion annually.

Status: Active

Version Reviewed: Amended – 4/19/2017

Legislative Vote Needed for Approval: 2/3

\$4 BILLION

Revenue Estimate: State Board of Equalization analysis of AB 2782 of 2016.

ASSEMBLY BILL 1077



OFF-HIGHWAY VEHICLE FEES

AB 1077 (O'Donnell) extends the service and special fees for the issuance or renewal of identification of off-highway vehicles for one year, through 2019. The fees and program will be repealed July 1, 2018, unless a report is submitted to the Legislature by January 1, 2018.

This bill will cost taxpayers tens of millions of dollars annually.

Status: Inactive – Held on the Assembly Appropriations Committee suspense file.

Version Reviewed: Amended – 4/5/2017

Legislative Vote Needed for Approval: 2/3

\$10 MILLION

Revenue Estimate: Assembly Appropriations Committee.

ASSEMBLY BILL 1180



TIRE TAX INCREASE

AB 1180 (Holden) increases the tax-like “fee” on tires by \$1.50, bringing the tax to \$3.25 per tire. Additionally, the bill earmarks tire tax revenue to the Stormwater Permit Compliance Fund to provide grants for projects and programs that mitigate tire-related zinc pollution.

This bill will cost taxpayers \$57 million annually.

Status: Inactive – Amendments on 5/30/2017 removed tax/fee provisions.

Version Reviewed: Amended – 4/19/2017

Legislative Vote Needed for Approval: 2/3

\$57 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 1180



LOS ANGELES COUNTY RAIN TAX

AB 1180 (Holden) authorizes the Los Angeles Flood Control District to levy a tax to fund storm water capture programs and projects that reduce storm water and urban pollution runoff.

A local ballot measure proposed by the district in 2012 would have generated \$270 million annually in fee revenue. Other proposals discussed could raise as much as \$2 billion in annual revenue.

Status: Signed into law (Chapter 617).

Version Reviewed: Amended – 8/21/2017

Legislative Vote Needed for Approval: Majority

\$270 MILLION

Revenue Estimate: District estimates.

ASSEMBLY BILL 1189



RIVERSIDE SALES TAX INCREASE

AB 1189 (Eduardo Garcia) doubles (from 0.5 percent to 1 percent) the maximum sales tax rate the Riverside County Transportation Commission can impose.

If local voters approve higher sales taxes as a result of this bill's passage, this bill could cost taxpayers \$164.6 million annually.

Status: Signed into law (Chapter 642).

Version Reviewed: Amended – 8/29/2017

Legislative Vote Needed for Approval: Majority

\$164.6 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 1274



SMOG CHECK ABATEMENT FEE

AB 1274 (O'Donnell) imposes an annual smog abatement "fee" of \$24 on vehicles that are seven or eight model years old, to fund the Carl Moyer Memorial Air Quality Standards Attainment Program.

This bill will cost taxpayers approximately \$67 million annually.

Status: Signed into law (Chapter 633).

Version Reviewed: Amended – 9/8/2017

Legislative Vote Needed for Approval: 2/3

\$67 MILLION

Revenue Estimate: Assembly Appropriations Committee.

ASSEMBLY BILL 1305



SALES TAX DEDUCTION ELIMINATION

AB 1305 (Cristina Garcia) eliminates lenders from a sales and use tax deduction or refund in the instance of accounts that have been found to be worthless and charged off when the entity has paid the sales and use tax in full.

This bill will cost taxpayers approximately \$40 million annually.

Status: Two-Year Bill

Version Reviewed: Amended – 5/1/2017

Legislative Vote Needed for Approval: Majority

\$40 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 1356



TAXING THE RICH TO PAY FOR COLLEGE

AB 1356 (Eggman) imposes a 1 percent surtax on income exceeding \$1 million, to pay for financial assistance for college students. This bill would become operative only if an accompanying constitutional amendment, ACA 13 (Eggman), is approved by voters. ACA 13 excludes from the state appropriations limit (the Gann Limit) all expenditures and revenue related to this tax and education assistance funds.

This bill will cost taxpayers more than \$1.5 billion annually, if revenue generated from this tax is similar to revenue from the existing Mental Health Services surcharge.

Status: Active

Version Reviewed: Amended – 4/6/2017

Legislative Vote Needed for Approval: 2/3

\$1.5 BILLION

Revenue Estimate: CalTax estimate based on Franchise Tax Board data on Mental Health Surcharge.

ASSEMBLY BILL 1374



DIESEL FUEL TAX REFUNDS

AB 1374 (Salas) limits claims for refund of the diesel fuel tax by changing the definition of biodiesel. This bill will cost taxpayers \$5.6 million annually.

Status: Active

Version Reviewed: Introduced – 2/17/2017

Legislative Vote Needed for Approval: 2/3

\$5.6 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 1379



BUSINESS LICENSE FEE

AB 1379 (Thurmond) extends the \$1 additional business license fee indefinitely, and for the years 2018-2024 increases this fee to \$4 before reverting back to the original \$1 fee.

This bill will cost taxpayers \$6 million annually through 2024.

Status: Signed into law (Chapter 667).

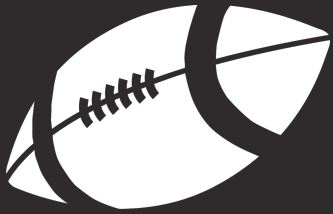
Version Reviewed: Amended – 3/30/2017

Legislative Vote Needed for Approval: Majority

\$6 MILLION

Revenue Estimate: Senate Appropriations Committee.

ASSEMBLY BILL 1435



ATHLETIC CONFERENCE FEES

AB 1435 (Gonzalez Fletcher) creates the Athlete Protection Commission and requires the agency to collect regulatory fees from college athletic conferences.

This bill will cost members of the NCAA up to \$4 million annually.

Status: Two-Year Bill

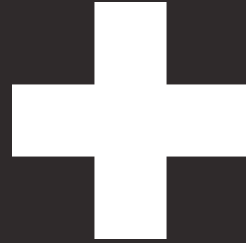
Version Reviewed: Amended – 5/30/2017

Legislative Vote Needed for Approval: Majority

\$4 MILLION

Revenue Estimate: Assembly Appropriations Committee.

ASSEMBLY BILL 1512



TAX ON PAIN MEDICATIONS

AB 1512 (McCarty) imposes a tax of 1 cent per milligram of active opioid ingredient upon the distribution by every person, including manufacturers or wholesalers, who makes the first sale in this state of opioids.

This bill will cost taxpayers \$88.1 million annually.

Status: Active

Version Reviewed: Amended – 5/9/2017

Legislative Vote Needed for Approval: 2/3

\$88.1 MILLION

Revenue Estimate: State Board of Equalization.

ASSEMBLY BILL 1517



CROWD-FUNDING FEES

AB 1517 (Muratsuchi) imposes a filing fee of \$200, plus 1/5 of 2 percent of the aggregate value of the securities sold, for applications to qualify securities purchased through crowd-funding.

This bill may cost taxpayers up to \$1.5 million annually.

Status: Two-Year Bill

Version Reviewed: Amended – 4/5/2017

Legislative Vote Needed for Approval: Majority

\$1.5 MILLION

Revenue Estimate: Assembly Appropriations Committee.

ASSEMBLY BILL 1587



MUSSEL FEE

AB 1587 (Levine) imposes a quagga and zebra mussel infestation prevention fee in an amount not to exceed \$50 on non-resident owners of vessels to be placed in state waterways.

The Department of Finance estimates that this bill will cost taxpayers \$2.5 million to \$5 million annually, assuming the fee is set at \$50.

Status: Two-Year Bill

Version Reviewed: Amended – 6/29/2017

Legislative Vote Needed for Approval: Majority

\$2.5 MILLION

Revenue Estimate: Department of Finance.

ASSEMBLY BILL 1613



SAN MATEO SALES TAX INCREASE

AB 1613 (Mullin) allows the San Mateo County Transit District to increase the local sales tax up to 0.5 percent, subject to voter approval, exceeding the Bradley-Burns 2 percent local sales tax limit.

Based on estimates from a prior 0.5 percent increase in the county, this bill will cost taxpayers \$85 million annually, if county voters approve a tax increase.

Status: Signed into law (Chapter 231).

Version Reviewed: Amended – 7/5/2017

Legislative Vote Needed for Approval: Majority

\$85 MILLION

Revenue Estimate: Measure K of 2016 ballot language.

ASSEMBLY BILL 1663



BATTERY MANUFACTURER FEE

AB 1663 (Cristina Garcia) expands the definition of manufacturers required to pay the \$1 manufacturer battery fee to include out-of-state lead battery manufacturers who currently voluntarily pay the fee.

This bill will cost taxpayers \$16 million annually.

Status: Two-Year Bill

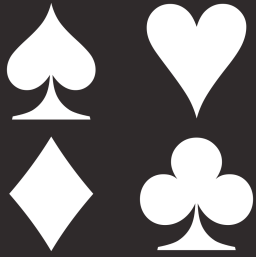
Version Reviewed: Amended – 4/18/2017

Legislative Vote Needed for Approval: Majority

\$16 MILLION

Revenue Estimate: Assembly Environmental Safety and Toxic Materials Committee.

ASSEMBLY BILL 1677



INTERNET POKER TAX

AB 1677 (Jones-Sawyer) legalizes and regulates Internet poker, and requires licensees to pay application fees, and a \$12.5 million deposit against which taxes on gambling revenue will be credited.

This bill will cost taxpayers \$60 million or more annually, based on estimates for similar legislation (AB 2863 of 2016).

Status: Active

Version Reviewed: Introduced – 2/17/2017

Legislative Vote Needed for Approval: 2/3

\$60 MILLION

Revenue Estimate: Assembly Floor Analysis of AB 2863 of 2016.

ASSEMBLY CONSTITUTIONAL AMENDMENT 2



GROCERIES, SNACKS AND CANDY TAX

ACA 2 (Garcia) allows the Legislature to impose a sales and use tax on food products that currently are not taxed, including groceries, snacks, candy and bottled water. Proposition 163 of 1992 prohibits the Legislature from taxing such food products.

ACA 2 would not become law unless AB 274 also is approved. That bill imposes a tax on snacks and candy, as defined.

If Proposition 163 of 1992 is repealed by voters, taxpayers could pay more than \$8.65 billion in state and local sales and use taxes if the Legislature taxes food products currently not subject to tax.

Status: Active

Version Reviewed: Amended – 5/1/2017

Legislative Vote Needed for Approval: 2/3

\$8.65 BILLION

Revenue Estimate: Department of Finance.

ASSEMBLY CONSTITUTIONAL AMENDMENT 4



HIGHER LOCAL TAXES

ACA 4 (Aguir-Curry) allows local governments to increase special taxes (including sales taxes and parcel taxes) and pass bonds by a 55 percent vote instead of a two-thirds vote, if the tax or bond funds affordable housing or public infrastructure (including water projects, parks, open space, hospitals, transportation and broadband Internet).

It is unknown how significantly local taxes would increase as a result of this measure's approval by voters. The cost to taxpayers could reach into the billions of dollars annually.

Status: Active

Version Reviewed: Introduced – 2/17/2017

Legislative Vote Needed for Approval: 2/3

This measure could cost taxpayers billions of dollars annually.

Revenue Estimate: California Tax Foundation.

ASSEMBLY CONSTITUTIONAL AMENDMENT 11



SALES AND USE TAX INCREASE

ACA 11 (Caballero) imposes a statewide 0.25 percent sales and use tax to fund affordable housing and homeless shelter programs.

In 2015, the State Board of Equalization reported \$633.9 billion in taxable transactions in California, so a 0.25 percent tax would generate \$1.5 billion annually.

Status: Active

Version Reviewed: Introduced – 3/20/2017

Legislative Vote Needed for Approval: 2/3

\$1.5 BILLION

Revenue Estimate: CalTax calculation based on State Board of Equalization data.

SENATE BILL 1



TRANSPORTATION TAXES AND FEES

SB 1 (Beall) increases: excise taxes on gasoline (12 cents per gallon) and diesel fuel (20 cents per gallon); sales taxes on diesel fuel (4 percent); car taxes by \$25 to \$175, depending on the value of the vehicle; and vehicle registration fees by \$100 for zero-emission vehicles. Revenue will fund street and highway maintenance, mass transit, walking and bike paths, state parks, higher education research and California Highway Patrol Officers.

This bill will cost taxpayers \$52.3 billion in higher taxes and fees over 10 years, or \$5.23 billion annually.

Status: Signed into law (Chapter 5).

Version Reviewed: Amended – 4/3/2017

Legislative Vote Needed for Approval: 2/3

\$5.23 BILLION

Revenue Estimate: Governor's press release, 3/29/2017.

SENATE BILL 2



PROPERTY TRANSFER RECORDING TAX

SB 2 (Atkins) imposes a \$75 tax on most recorded real estate documents to raise funds for affordable housing, homeownership opportunities and other housing-related programs.

This bill will cost taxpayers \$200 million to \$300 million annually.

Status: Signed into law (Chapter 364).

Version Reviewed: Amended – 8/29/2017

Legislative Vote Needed for Approval: 2/3

\$200 MILLION

Revenue Estimate: Senate Appropriations Committee.

SENATE BILL 23



UMBILICAL CORD RESEARCH TAX

SB 23 (Portantino) extends the existing tax for a certified copy of a birth certificate from January 1, 2018, to January 1, 2025, and increases the tax to \$19. The bill also increases the portion of the tax earmarked to the University of California's Umbilical Cord Blood Collection Program to \$3.

This bill will cost taxpayers \$2.5 million annually.

Status: Inactive – Held on the Senate Appropriations Committee suspense file.

Version Reviewed: Amended – 4/17/2017

Legislative Vote Needed for Approval: Majority

\$2.5 MILLION

Revenue Estimate: Assembly Appropriations Committee analysis of AB 2399 of 2016.

SENATE BILL 66



TAX INCREASE ON PUNITIVE DAMAGES

SB 66 (Wieckowski) disallows deductions for punitive damages when determining corporate and personal income tax liability, effective January 1, 2018.

Disallowing this deduction will cost taxpayers \$1.2 million annually, according to the Franchise Tax Board. However, the amount could be significantly higher in some years.

Status: Active

Version Reviewed: Introduced – 1/5/2017

Legislative Vote Needed for Approval: 2/3

\$1.2 MILLION

Revenue Estimate: Franchise Tax Board.

SENATE BILL 297



LOAN FACILITATOR FEE

SB 297 (Dodd) establishes new regulations on financial lenders and brokers, and authorizes a fee to cover regulatory costs.

This bill will create a new regulatory program that will cost up to \$1.1 million annually, to be covered by regulatory fees.

Status: Two-Year Bill

Version Reviewed: Amended – 4/17/2017

Legislative Vote Needed for Approval: 2/3

\$1.1 MILLION

Revenue Estimate: Senate Appropriations Committee.

SENATE BILL 377



LEAD PAINT ENFORCEMENT FEE

SB 377 (Monning) requires the Department of Public Health to establish a program to regulate lead-based construction, renovation, and repair work. Program costs will be funded by regulatory fees imposed for certification programs.

This bill could cost taxpayers up to \$1.1 million annually.

Status: Inactive

Version Reviewed: Amended – 8/21/2017

Legislative Vote Needed for Approval: Majority

\$1.1 MILLION

Revenue Estimate: Department of Finance.

SENATE BILL 384



FEE ON ALCOHOLIC BEVERAGE LICENSES

SB 377 (Wiener) authorizes the Department of Alcoholic Beverage Control to issue an “additional hours” license to an on-sale licensee for alcohol sales between 2 a.m. and 4 a.m., provided state and local requirements are met.

This bill could cost taxpayers up to \$1.25 million annually, assuming an additional 500 applicants per year.

Status: Inactive – Amendments on 9/7/2017 gutted the bill to instead change state laws on sex offenders.

Version Reviewed: Amended – 9/5/2017

Legislative Vote Needed for Approval: Majority

\$1.25 MILLION

Revenue Estimate: Department of Finance.

SENATE BILL 421



COUNTY CAR TAX

SB 421 (Wiener) allows each county to impose a car tax, up to 2 percent of the vehicle’s value. Counties would contract with the Department of Motor Vehicles, and the tax would apply to all vehicles and trailer coaches, as long as the county does not form a new type of vehicle classification.

This bill could cost taxpayers up to \$8 billion annually, if each county increased car taxes by 2 percent.

Status: Inactive – Amendments on 4/17/2017 removed tax/fee provisions.

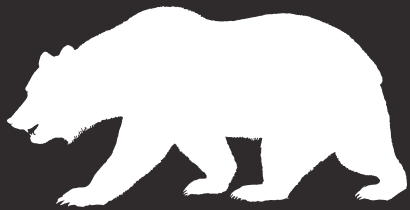
Version Reviewed: Amended – 3/30/2017

Legislative Vote Needed for Approval: Majority

\$8 BILLION

Revenue Estimate: California Tax Foundation calculation from Department of Finance data.

SENATE BILL 473



ENDANGERED SPECIES FEE

SB 473 (Hertzberg) allows the Department of Fish and Wildlife to develop plans for endangered species protection. The department would be required to justify the listing of an endangered species under the California Endangered Species Act. The bill expands when a permit application fee must be paid for the take of a species listed under the act.

This bill creates new program costs of \$1.5 million or more, some or all of which may be covered by new fees.

Status: Ordered to Inactive file.

Version Reviewed: Amended – 9/5/2017

Legislative Vote Needed for Approval: Majority

\$1.5 MILLION

Revenue Estimate: Assembly Appropriations Committee.

SENATE BILL 501



DENTISTRY ANESTHESIA FEE

SB 501 (Glazer) requires a dentist who administers or orders pediatric minimal sedation to submit an application and an application fee to produce evidence that he or she has successfully completed training in pediatric minimal sedation programs.

This bill will increase state regulatory costs by \$3.6 million, which will be covered by application fees.

Status: Two-Year Bill.

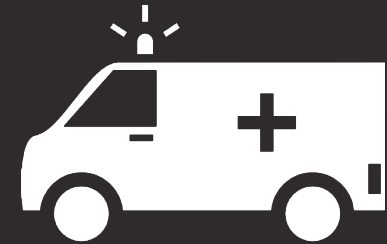
Version Reviewed: Amended – 5/1/2017

Legislative Vote Needed for Approval: Majority

\$3.6 MILLION

Revenue Estimate: Assembly Appropriations Committee.

SENATE BILL 523



AMBULANCE TAX

SB 523 (Hernandez) imposes a 5.1 percent “quality assurance” tax on the gross receipts of some medical transport providers. This bill is intended to provide additional funding for ground emergency Medi-Cal transportation services.

This bill will cost taxpayers approximately \$30 million annually.

Status: Signed into law (Chapter 773).

Version Reviewed: Amended – 8/22/2017

Legislative Vote Needed for Approval: 2/3

\$30 MILLION

Revenue Estimate: Senate Appropriations Committee.

SENATE BILL 547



PROFESSIONAL LICENSE FEES

SB 547 (Hill) increases professional license fees for alarm companies, chiropractors, locksmiths, podiatrists, private security employees and officers, psychologists, real estate appraisers, and repossessioners.

This bill will cost taxpayers between \$3.4 million and \$4.7 million annually, beginning in 2018-19.

Status: Signed into law (Chapter 429).

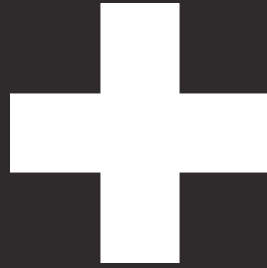
Version Reviewed: Amended – 9/11/2017

Legislative Vote Needed for Approval: Majority

\$3.4 MILLION

Revenue Estimate: Department of Finance.

SENATE BILL 562



SINGLE-PAYER HEALTH CARE TAX

SB 562 (Lara) establishes a universal healthcare system, where the State for California is the sole payer of all health care costs. The bill would become operative only if it is funded by a new tax.

This bill would cost taxpayers an additional \$400 billion annually. Assuming the state secures federal funding to offset some of these costs, California would need to increase taxes by more than \$200 billion annually to pay remaining costs. Under Proposition 98's funding formula, 40 percent of new tax revenue is earmarked to K-14 schools, so additional funds in excess of \$200 billion would be necessary to fully fund all single-payer costs.

Status: Two-Year Bill

Version Reviewed: Amended – 5/26/2017

Legislative Vote Needed for Approval: Majority

\$200 BILLION

Revenue Estimate: Senate Appropriations Committee.

SENATE BILL 567



MULTIPLE INCOME TAX INCREASES

SB 567 (Lara) makes California the only state in the U.S. to require businesses to report income on a worldwide basis from all affiliates for apportionment purposes. The bill also disallows a corporate income tax deduction for a publicly traded company's executive performance pay in excess of \$1 million; increases the required charitable remainder interest of property placed in trusts for personal income tax purposes; and eliminates the "step up basis" for inherited property valued at \$1 million or more for capital gains. This bill will cost taxpayers more than \$3.5 billion annually, once fully implemented.

Status: Inactive – Amendments on 5/15/2017 removed provisions requiring worldwide apportionment.

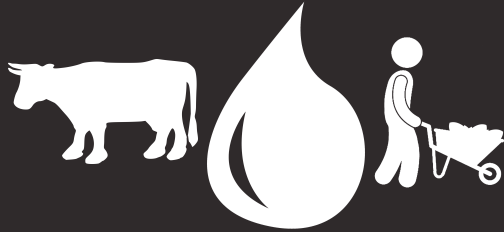
Version Reviewed: Introduced – 2/17/2017

Legislative Vote Needed for Approval: 2/3

\$3.5 BILLION

Revenue Estimate: Franchise Tax Board.

SENATE BILL 623



WATER, MILK AND FERTILIZER TAX

SB 623 (Monning) taxes water, milk and fertilizer products to fund long-term water sustainability programs:

- **Water Meter Tax.** Imposes a tax on each person or entity purchasing water from a public water system, ranging from 95 cents per month to \$10 per month, depending on the size of the customer's water meter.
- **Fertilizer "Fee."** Imposes a license tax-like "fee" of \$0.005 per dollar of sale for all fertilizer material sold.
- **Milk Tax.** Imposes a tax-like "fee" of \$0.01355 per hundredweight of milk sold.

Status: Active

Version Reviewed: Amended – 8/21/2017

Legislative Vote Needed for Approval: 2/3

\$109.1 MILLION

Revenue Estimate: Assembly Appropriations Committee.

SENATE BILL 640



SALES TAX ON SERVICES

SB 640 (Hertzberg) expresses legislative intent to impose a retail sales tax on services to provide tax relief to middle- and low-income Californians.

This bill could cost taxpayers \$122.6 billion annually, if the sales and use tax is extended to all services currently not subject to tax.

Status: Active

Version Reviewed: Introduced – 2/17/2017

Legislative Vote Needed for Approval: Majority

\$122.6 BILLION

Revenue Estimate: State Board of Equalization.

SENATE BILL 703



LOCAL SALES TAX INCREASE

SB 703 (Skinner) allows Alameda County, Santa Clara County and the city of Santa Fe Springs to exceed the existing 2 percent local sales and use tax rate cap by up to 0.5 percent.

This bill could cost taxpayers \$366.3 million annually, if local voters approve a 0.5 percent increase in the local sales tax.

Status: Signed into law (Chapter 651).

Version Reviewed: Amended – 9/7/2017

Legislative Vote Needed for Approval: Majority

\$366.3 MILLION

Revenue Estimate: California Department of Tax and Fee Administration.

SENATE BILL 726



DEATH TAX

SB 726 (Wiener) proposes to voters the imposition of a tax upon all estates valued over \$5,490,000, adjusted annually for inflation, at the next general statewide election.

If the federal government eliminates the estate tax and California imposes a replacement tax, this bill would cost taxpayers more than \$5 billion annually.

Status: Active

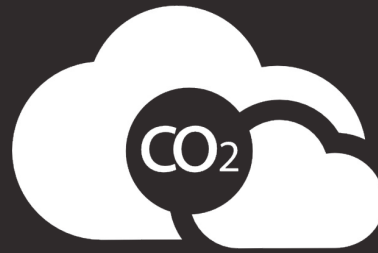
Version Reviewed: Amended – 3/23/2017

Legislative Vote Needed for Approval: Majority

\$5 BILLION

Revenue Estimate: Franchise Tax Board.

SENATE BILL 775



CAP-AND-TRADE AUCTION TAX

SB 775 (Wieckowski) establishes a new cap-and-trade auction tax with a minimum and maximum allowance price, and annual allowance price increases. The bill would create a dividend fund to provide rebate checks to taxpayers.

This bill would cost taxpayers approximately \$4 billion annually. This bill nearly doubles the current allowance price, which is expected to generate \$2 billion, according to the governor's January 2017 budget.

Status: Active

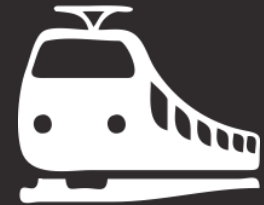
Version Reviewed: Amended – 5/1/2017

Legislative Vote Needed for Approval: 2/3

\$4 BILLION

Revenue Estimate: CalTax Analysis of Governor's January 2017 Budget and California Air Resources Board auction data.

SENATE BILL 797



SF PENINSULA SALES TAX INCREASE

SB 797 (Hill) authorizes the Peninsula Corridor Joint Powers Board to impose a local sales tax up to 0.125 percent, exceeding the local 2 percent rate limit, to support the Caltrain rail service.

A June 22 article in the *San Jose Mercury News* estimated the bill would generate an additional \$100 million annually to fund transit infrastructure projects.

Status: Signed into law (Chapter 653).

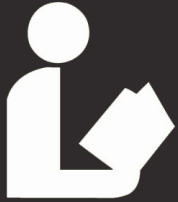
Version Reviewed: Amended – 9/11/2017

Legislative Vote Needed for Approval: Majority

\$100 MILLION

Revenue Estimate: San Jose Mercury News, June 22, 2017.

SENATE CONSTITUTIONAL AMENDMENT 3



PROPERTY TAX INCREASE FOR LIBRARIES

SCA 3 (Dodd) lowers the vote threshold to pass a local general obligation library facilities bond from two-thirds to 55 percent. By doing so, this measure makes it easier for local governments to increase property taxes to fund debt repayments.

This constitutional amendment, if approved by voters, would increase property taxes by hundreds of millions of dollars annually.

Status: Active

Version Reviewed: Amended – 3/6/2017

Legislative Vote Needed for Approval: 2/3

This measure could cost taxpayers hundreds of millions of dollars annually.

Revenue Estimate: California Tax Foundation.

SENATE CONSTITUTIONAL AMENDMENT 6



LOCAL TRANSPORTATION TAX INCREASE

SCA 6 (Wiener) lowers to 55 percent the vote threshold for local special taxes to fund transportation projects (the current threshold is a two-thirds vote).

If a lower vote threshold had been in place during the 2016 election cycle, taxpayers would be paying more than \$1.9 billion in higher taxes annually.

Status: Active

Version Reviewed: Amended – 5/1/2017

Legislative Vote Needed for Approval: 2/3

\$1.9 BILLION

Revenue Estimate: California Tax Foundation.

LEGISLATION WITH UNKNOWN COSTS

LEGISLATION WITH UNKNOWN COSTS

LEGISLATION	VOTE REQUIRED FOR PASSAGE	STATUS
OSHA Violation Notice Fee. AB 442 (Frazier) prohibits enforcement actions under the Occupational Safety and Health Act from moving forward against a small business or micro-business unless the state has provided the employer with 30 days' notice. The state may charge businesses a reasonable fee, not to exceed \$50, to cover regulatory costs. (Version Reviewed: Introduced – 2/13/2017)	Majority	Two-Year Bill
Optometry Immunization Fee. AB 443 (Salas) allows optometrists to perform certain immunizations and vaccinations, upon paying an annual \$50 application fee. (Version Reviewed: Amended – 5/2/2017)	Majority	Active
Microbusiness Registration Fee. AB 472 (Frazier) prohibits the state from enforcing a non-serious violation against any small business or microbusiness without first giving the employer a written 30-day notice. The bill authorizes the division to impose a reasonable fee, not to exceed \$50, to cover its costs. (Version Reviewed: Amended – 9/7/2017)	Majority	Active
Housing Tax Credit Reduction. AB 571 (Eduardo Garcia) narrows eligibility for low-income housing tax credits to projects in which at least 50 percent of the housing is for farmworkers. Because this credit is infrequently utilized, the Franchise Tax Board is unable to estimate the revenue impact of this tax increase (based on an analysis of identical legislation from 2016, AB 2140). (Version Reviewed: Amended – 5/16/2017)	Two-Thirds (Tax Increase)	Active
Day Care Center License Application Fee. AB 605 (Mullin) authorizes a regulatory fee for a new applicant for the “birth to entering first grade” license option. (Version Reviewed: Amended – 3/23/2017)	Majority	Two-Year Bill
Tanning Facility Fee. AB 682 (Caballero) expands regulations on tanning facilities by requiring registration with the Department of Public Health and imposing a registration fee. This bill would be enforced through inspection of facilities no less than once every four years. (Version Reviewed: Amended – 4/3/2017)	Majority	Two-Year Bill

LEGISLATION WITH UNKNOWN COSTS

LEGISLATION	VOTE REQUIRED FOR PASSAGE	STATUS
Sacramento Regional Transit District Taxes and Bonds. AB 709 (McCarty) authorizes the Sacramento Regional Transit District to levy transaction and use taxes and appropriate the revenue to the extent required to pay the principal of, and interest on, specified bonds as they become due. (Version Reviewed: Amended – 5/15/2017)	Majority	Active
Home Inspector Fees. AB 717 (Dababneh) requires a home inspector to be licensed by the Contractors' State License Board and pay examination and application fees. (Version Reviewed: Amended – 3/27/2017)	Majority	Two-Year Bill
Farmland-Conservation Zone Contract Cancellation Fee. AB 925 (Frazier) requires property owners under contract with a city or county within the jurisdiction of the Williamson Act to provide certain additional public benefits to qualify for further tax relief. (Version Reviewed: Amended – 3/29/2017)	Majority	Two-Year Bill
Tax Credit Application Fee. AB 999 (Burke) creates a tax credit for qualifying investors in a qualifying small business, and imposes fees for applications to a qualified business or investor. (Version Reviewed: Amended – 3/28/2017)	Two-Thirds (Appropriation)	Active
Virtual Currency Application Fee. AB 1123 (Dababneh) requires any individual engaging in virtual currency business to apply for a license and pay an application fee to the Commissioner of Business Oversight. (Version Reviewed: Amended – 3/30/2017)	Majority	Active
Film Tax Credit Reduction. AB 1300 (Calderon) deletes a personal income and corporate tax credit for 5 percent of the qualified expenditures related to music scoring and track recording by musicians attributable to the production of a qualified motion picture in California. This bill also requires the California Film Commission to adjust credit allocation percentages for postproduction music scoring. (Version Reviewed: Amended – 4/27/2017)	Two-Thirds (Tax Increase)	Active

LEGISLATION WITH UNKNOWN COSTS

LEGISLATION	VOTE REQUIRED FOR PASSAGE	STATUS
Pension Enrollment Fee. AB 1309 (Cooley) imposes a \$200 monthly fee on employers that fail to enroll in the Public Employees' Retirement System a new employee who already is receiving retirement benefits from the system (a "retired annuitant"). (Version Reviewed: Introduced – 2/17/2017)	Majority	Active
Home Medical Device Retail License Fee. AB 1387 (Arambula) provides for the licensure of home medical device retail facilities through January 1, 2023. Currently, the fee to obtain a license is set at \$1,105 annually. (Version Reviewed: Amended – 4/18/2017)	Majority	Active
Milk Product Fee. AB 1486 (Caballero) increases specified permit and license fees for producing and manufacturing certain milk products. (Version Reviewed: Introduced – 2/17/2017)	Majority	Signed Into Law (Chapter 153)
Athletic Trainer License Fee. AB 1510 (Dababneh) regulates athletic trainers, and establishes a license application fee. (Version Reviewed: Introduced – 2/17/2017)	Majority	Two-Year Bill
Veteran Service Provider Fee. AB 1618 (Cervantes) requires a certification process for California veteran service providers, and imposes a certification fee. (Version Reviewed: Amended – 4/19/2017)	Two-Thirds (Appropriation)	Inactive – Amendments on 5/30/2017 removed the fee provisions.
Write-In Candidate Fee. AB 1632 (Dababneh) requires write-in candidates who advance to the general election to pay a filing fee to appear on the ballot. (Version Reviewed: Amended – 3/28/2017)	Majority	Active
Court Reporter Fee Expansion. AB 1660 (Kalra) requires an individual or entity that provides or arranges for court reporters to register as a court reporter, and pay a court reporter fee. (Version Reviewed: Amended – 5/2/2017)	Majority	Enrolled
Insurance Securities Application Fee. AB 1696 (Assembly Insurance Committee) imposes an application fee of \$2,360 for those requesting approval to acquire 5 percent or more of voting securities of a converted insurer. (Version Reviewed: Amended – 3/27/2017)	Majority	Enrolled

LEGISLATION WITH UNKNOWN COSTS

LEGISLATION	VOTE REQUIRED FOR PASSAGE	STATUS
Housing Tax Credit Limitations. AB 1714 (Assembly Housing and Community Development Committee) revises the qualification criteria for “at risk of conversion” housing based on rent restrictions and federal funding support. As the aggregate annual credits that may be awarded are capped, a change in qualification criteria could result in a tax increase for disqualified taxpayers. (Version Reviewed: Amended – 8/21/2017)	Two-Thirds (Tax Increase)	Enrolled
Sporting Events Alcohol Fee. SB 56 (Mendoza) authorizes the Department of Alcoholic Beverage Control to issue a sports entertainment facility permit and impose a fee for the permit. (Version Reviewed: Amended – 3/22/2017)	Majority	Inactive Inactive – Amendments on 5/1/2017 removed the fee from the bill.
Beverage Container Distributor Fee. SB 168 (Wieckowski) requires beverage container distributors to form a stewardship organization, and establish and pay a program implementation fee. (Version Reviewed: Amended – 4/6/2017)	Majority	Two-Year Bill
Alcohol Distribution Fee. SB 254 (Portantino) requires the state to regulate alcoholic beverage delivery companies and to charge a reasonable fee to cover department regulatory activities. (Version Reviewed: Amended – 5/26/2017)	Majority	Two-Year Bill
Solano Regional Park District Tax. SB 365 (Dodd) allows the Solano County Board of Supervisors to create a regional park district by resolution and determine if the district will have taxing authority. (Version Reviewed: Introduced – 2/14/2017)	Majority	Signed Into Law (Chapter 216)
Local Groundwater Agency Fee. SB 372 (Cannella) creates the San Joaquin River Exchange Contractors Groundwater Sustainability Agency and authorizes the agency to impose fees to implement the program. (Version Reviewed: Amended – 8/23/2017)	Majority	Active
Blood Transport Fees. SB 406 (Leyva) authorizes a vehicle that is transporting blood between collection points to use the HOV lane. This bill requires payment of fees for the initial issuance and renewal of a decal, label or other identifier for use of the HOV lane. (Version Reviewed: Amended – 4/27/2017)	Majority	Inactive – Amendments on 5/26/2017 removed the fee from the bill.

LEGISLATION WITH UNKNOWN COSTS

LEGISLATION	VOTE REQUIRED FOR PASSAGE	STATUS
Collective Bargaining Fee. SB 533 (Portantino) requires a teacher employed under an “Urgent State of Need” declaration to either join an employee organization selected as the exclusive representative of the certified employees of the school district or pay a “fair share services” fee not to exceed the cost of dues or functions of the employee organization performed on behalf of the employee. (Version Reviewed: Amended – 5/3/2017)	Majority	Active
Zoning Fees. SB 540 (Roth) authorizes local governments to establish Workforce Housing Opportunity Zones to create affordable housing near transit centers, and charge zoning fees. (Version Reviewed: Amended – 5/10/2017)	Majority	Active
Student Loan Administrative Fee. SB 674 (Allen) allows the California Educational Facilities Authority to levy an administrative fee for each qualified student loan within a loss reserve account. (Version Reviewed: Amended – 5/2/2017)	Two-Thirds (Appropriation)	Inactive – Placed on the Senate Appropriations Committee suspense file.
Deck Inspection Fee. SB 721 (Hill) creates additional criteria for inspecting decks and balconies, and authorizes local agencies to institute new fees to recover enforcement costs associated with the new criteria. (Version Reviewed: Amended – 5/15/2017)	Majority	Inactive (Two-Year Bill)
Geothermal Well Fees. SB 759 (McGuire) increases the geothermal well drilling fee from \$25 per well or \$200 per program to \$100 per well or \$500 per program – whichever is less. Fee revenue will be spent on “plugging and abandonment of any geothermal well deemed deserted.” For fee payers that are using their wells, this fee does not provide a benefit, a service, or reasonable regulation. (Version Reviewed: Amended – 5/15/2017)	Two-Thirds (Tax Increase)	Inactive – Amendments on 9/8/2017 removed the fee from the bill.
Naturopathic Practitioner License Fee. SB 796 (Hill) extends and codifies the naturopathic practitioner license fee administered by the Naturopathic Medicine Committee. (Version Reviewed: Amended – 5/26/2017)	Majority	Active

ABOUT THE CALIFORNIA TAX FOUNDATION

The California Tax Foundation is dedicated to serving the public through education and research. Founded in 1980 by the California Taxpayers Association (CalTax), the Foundation seeks to improve public policy through thoughtful and independent nonpartisan research. The Foundation has been recognized for its research excellence with several national awards. The Foundation is a 501(c)3 not-for-profit organization funded through grants and donations from taxpayers. While established by CalTax, it is a separate entity. It does not take or support positions on any ballot measures or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office.

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