



TAX AND FEE REPORT

Major Taxes and Fees Introduced in the California Legislature



\$65.9 BILLION

Since the Legislature returned on January 6 for the final year of the 2019-20 session, California lawmakers considered proposals that would cost taxpayers more than \$65.9 billion annually in higher taxes and fees.

INTRODUCTION

California lawmakers are considering more than \$65.9 billion in new taxes and fees, including taxes on hiring workers during the worst periods of unemployment since the Great Depression. Additionally, lawmakers will consider taxing businesses that attempt to solve the greatest challenge facing the human race: developing a treatment and cure for COVID-19. The tax and fee introductions come during a year when California's economy is facing an unprecedented collapse, following a year in which \$4.4 billion in new tax and fee authorizations were signed into law by Governor Gavin Newsom, and a record-high budget was enacted.

Prior to government orders for businesses to close and Californians to stay home during the pandemic, the existing tax structure generated a large operating surplus and record-high reserves for the state government. The reserves of approximately \$20 billion helped the state avoid billions of dollars in budget cuts when revenue fell sharply during the pandemic.

THE MOST EXPENSIVE BILLS



AB 2712

EUROPEAN-STYLE VALUE-ADDED TAX
ON MOST GOODS AND SERVICES

A \$53.3 billion value-added tax increase to pay for a California universal basic income program.



SB 37

BUSINESS TAX INCREASE
BASED ON EMPLOYEE PAY

A \$3.5 billion tax on businesses based upon certain employee compensation.



BUDGET TRAILER BILL

TAX ON HIRING WORKERS &
RESEARCHING COVID-19 VACCINE

Two proposed increases would tax businesses by \$9.2 billion over three years. Businesses would be taxed for hiring workers and researching COVID-19 treatments, and businesses with financial losses would be taxed more.

PROJECTED COST TO TAXPAYERS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
European-Style Value-Added Tax on Most Goods and Services – AB 2712 (Low)	\$53,300,000,000 ¹	☠ ²
Soda Tax – AB 2466 (Bloom)	\$4,200,000,000	⌚
Tax on Hiring Workers & Researching Covid-19 Vaccine – Budget Trailer Bill ³	\$2,000,000,000	
Tax on Struggling Businesses Impacted by COVID-19 – Budget Trailer Bill ³	\$1,820,000,000	
Tax on In-State Energy Production – SB 246 (Wieckowski)	\$1,600,000,000	☠
Business Tax Increase Based on Employee Pay – SB 37 (Skinner)	\$1,000,000,000	☠
Eliminates Change-in-Ownership Exclusion – SCA 3 (Hill)	\$1,000,000,000	⌚
Authorizes Air District to Impose Taxes – SB 732 (Allen)	\$490,400,000	☠
Limit on Mortgage Interest Deduction – AB 1905 (Chiu)	\$360,000,000	☠ ²
Tire Tax Increase – AB 755 (Holden)	\$55,000,000	☠
Tax on Vapor Products – Budget Trailer Bill ³	\$33,000,000	
Requires Use of Market Value for Private Auto Sales – Budget Trailer Bill ³	\$30,000,000	
Lower Vote Requirement for Parcel Taxes – SCA 5 (Hill)	\$16,200,000	☠ ²
Drinking Water Fee – AB 402 (Quirk)	\$6,900,000	⌚
Court Reporter Fees – AB 1385 (Santiago)	\$1,900,000	⌚
College Consultant Fee – AB 1312 (Low)	\$1,900,000	⌚
Lithium-ion Battery Recycling Fee – AB 1509 (Mullin)	\$1,120,000	⌚
Fee on Reusable Tobacco Components – SB 424 (Jackson)	\$1,080,000	⌚
Bird-Hunting Fee Increase – AB 2106 (Aguilar-Curry)	\$1,000,000	⌚

Key



The bill is actively moving through the Legislature.



The bill is dead.

1. The California Tax Foundation estimated the potential revenue impact for AB 2712 by calculating revenue generated by the sales and use tax (as indicated in the governor's enacted 2019-20 budget) and the revenue estimate for expanding the sales tax to business-to-business services from "An Analysis of Sales Taxes on Business Services in California," conducted by Encina Advisors, LLC.
2. The author has indicated the bill will not move forward.
3. This was proposed in the governor's May Budget, but is not in a legislative vehicle. These two proposals would result in a \$9.2 billion tax increase for the three-year period they would be in effect.

4 | PROJECTED COST TO TAXPAYERS

LEGISLATION WITH KNOWN COSTS



AB 402 DRINKING WATER FEE

\$6.9 MILLION

Vote Required: Majority
Version Reviewed: Amended – 6/18/2019
Status: Active

AB 402 (Quirk) proposes authorizing the State Water Resources Control Board to establish and collect fees from small public water systems in specified counties that choose to have the board administer and enforce drinking water standards.

Revenue Estimate: Assembly Appropriations Committee analysis.



AB 755 TIRE TAX INCREASE

\$55 MILLION

Vote Required: Two-Thirds
Version Reviewed: Amended – 5/16/2019
Status: Dead

AB 755 (Holden) proposed increasing the California tire tax of \$1.75 cents per tire by \$1.50 per tire, and depositing the increased revenue into the Stormwater Permit Compliance Fund for remediation of zinc pollutants from tires.

Revenue Estimate: Assembly Appropriations Committee analysis.



AB 1312 COLLEGE CONSULTANT FEE

\$1.9 MILLION

Vote Required: Majority
Version Reviewed: Amended – 5/17/2019
Status: Active

AB 1312 (Low) proposes requiring every college consultant and college consulting firm to register with the state and pay specified fees.

Revenue Estimate: Senate Appropriations Committee analysis.



AB 1385 COURT REPORTER FEE INCREASE

\$1.9 MILLION

Vote Required: Majority
Version Reviewed: Amended – 6/21/2019
Status: Active

AB 1385 (Santiago) proposes increasing court reporter fees beginning July 1, 2020.

Revenue Estimate: Assembly Appropriations Committee analysis.



AB 1509 LITHIUM-ION BATTERY RECYCLING FEE

\$1.12 MILLION

Vote Required: Majority
Version Reviewed: Amended – 5/1/2019
Status: Active

AB 1509 (Mullin) proposes requiring entities covered by the state battery recycling program to pay the Department of Resources Recycling and Recovery an administrative fee to cover the costs of implementing the program.

Revenue Estimate: Assembly Appropriations Committee analysis.



AB 1905 LIMIT ON MORTGAGE INTEREST DEDUCTION

\$360 MILLION

Vote Required: Two-Thirds
Version Reviewed: Amended – 5/4/2020
Status: Dead

AB 1905 (Chiu) proposed disallowing the mortgage interest deduction for a residence that is not the taxpayer's principal residence.

Revenue Estimate: Assembly Housing and Community Development Committee.



AB 2106 BIRD-HUNTING FEE INCREASE

\$1 MILLION

Vote Required: Majority
Version Reviewed: Amended – 5/4/2020
Status: Active

AB 2106 (Aguiar-Curry) imposes a \$5 increase in the upland game bird-hunting validation fee.

Revenue Estimate: Assembly Water, Parks, and Wildlife Committee.



AB 2466 SODA TAX

\$4.2 BILLION

Vote Required: Two-Thirds
Version Reviewed: Amended – 5/4/2020
Status: Active

AB 2466 (Bloom) proposes a tax of 2 cents per fluid ounce of sugar-sweetened beverages, concentrates and syrups on those who distribute these products in California, and earmarks revenue to fund public health programs intended to reduce diabetes, heart disease and obesity. The tax increase would be \$2.88 for a 12-pack of 12-ounce cans.

Revenue Estimate: Assembly Revenue and Taxation Committee Analysis of AB 138 (2019).

**AB 2712****VALUE-ADDED TAX TO FUND UNIVERSAL BASIC INCOME****\$53.3 BILLION****Vote Required:** Majority**Version Reviewed:** Amended – 5/7/2020**Status:** Dead

AB 2712 (Low) proposed the California Universal Basic Income Program in which every California resident over 18 years of age would receive \$1,000 per month from the government. The bill states the intent to fund the program by imposing a 10 percent value-added tax on goods and services except medicine, medical supplies and equipment, educational materials, food, groceries and clothing.

Revenue Estimate: The California Tax Foundation estimated the potential revenue impact for AB 2712 by calculating revenue generated by the sales and use tax (as indicated in the governor's enacted 2019-20 budget) and the revenue estimate for expanding the sales tax to business-to-business services from "An Analysis of Sales Taxes on Business Services in California," conducted by Encina Advisors, LLC.

**SB 37****BUSINESS TAX INCREASE BASED ON EMPLOYEE PAY****\$1 BILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 1/16/2020**Status:** Dead

SB 37 (Skinner) proposed increasing the corporate income tax rate for corporations that have a specified disparity between the pay of the chief executive officer and the median salary for employees. The current corporate tax rate of 8.84 percent (10.84 percent for financial institutions) would have increased to 10.84 percent and could reach 14.84 percent (12.84 percent to 16.84 percent for financial institutions) for corporations with net income in excess of \$10 million, based on each corporation's "compensation ratio" effective January 1, 2020. Additionally, the bill would have increased the tax rate to a maximum of 22.26 percent (24.26 percent for banks and financial corporations) for corporations with net income in excess of \$10 million that have a specified decrease in full-time employees in the United States while increasing the number of contracted and foreign full-time employees. The bill died in the Senate on February 3, 2020.

Revenue Estimate: Senate Governance and Finance Committee analysis.

**SB 246****TAX ON IN-STATE ENERGY PRODUCTION****\$1.6 BILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 1/6/2020**Status:** Dead

SB 246 (Wieckowski) proposed an oil severance tax at the rate of 10 percent of the average price per barrel of California oil and a gas severance tax of 10 percent of the average price per unit of gas, with revenue going to the general fund.

Revenue Estimate: Senate Appropriations Committee analysis of SB 231 (2013).



SB 424 FEE ON REUSABLE TOBACCO COMPONENTS

\$1.08 MILLION

Vote Required: Majority
Version Reviewed: Amended – 5/17/2019
Status: Active

SB 424 (Jackson) proposes authorizing the Department of Resources Recycling and Recovery to impose an unspecified fee on manufacturers of tobacco products with a reusable component.

Revenue Estimate: Senate Appropriations Committee analysis.



SB 732 AUTHORIZES AIR DISTRICT TO IMPOSE TAXES

\$490.4 MILLION

Vote Required: Majority
Version Reviewed: Amended – 1/14/2020
Status: Dead

SB 732 (Allen) proposed that the South Coast Air Quality Management District, which encompasses Los Angeles, Orange, Riverside and San Bernardino counties, be authorized to impose a transactions and use tax within its boundaries.

Revenue Estimate: Senate Governance and Finance Committee analysis. The California Department of Tax and Fee Administration estimated 0.25 percent sales tax increase would generate \$490.4 million.



SCA 3 ELIMINATES CHANGE-IN-OWNERSHIP EXCLUSION

\$1 BILLION

Vote Required: Two-Thirds
Version Reviewed: Introduced – 12/4/2018
Status: Active

SCA 3 (Hill) proposes eliminating the property tax change-in-ownership exclusion for residences inherited from a parent or grandparent if the recipient does not use the home as a principal residence within 12 months.

Revenue Estimate: Senator Jerry Hill testimony to Senate Elections and Constitutional Amendments Committee on May 7, 2019.



SCA 5 LOWER VOTE FOR SCHOOL PARCEL TAXES

\$16.2 MILLION

Vote Required: Two-Thirds
Version Reviewed: Amended – 4/22/2019
Status: Dead

SCA 5 (Hill) proposed lowering the vote threshold from two-thirds to 55 percent for approval of local parcel taxes placed on the ballot by a school or community college district.

Revenue Estimate: California Tax Foundation analysis of 2018 election data.



BUDGET TRAILER BILL

TAX ON STRUGGLING BUSINESSES IMPACTED BY COVID-19

\$1.82 BILLION

Version Reviewed: RN 20-12094 – 5/18/2020

Imposes a \$3.5 billion tax on businesses experiencing financial losses during COVID-19 from 2020-21 to 2022-23 would no longer be able to claim a net operating loss deduction. When combined with the proposed limitation on tax credits, the total tax increase for the three-year period is \$9.2 billion.

Revenue Estimate: Governor's May Budget Revision estimate for fiscal year 2020-21. The interaction between the NOL suspension and credit limitation results in an additional revenue gain of \$1.3 billion over three years.



BUDGET TRAILER BILL

TAX ON HIRING WORKERS & RESEARCHING COVID-19 VACCINE

\$2 BILLION

Version Reviewed: Trailer Bill Language – 5/23/2020

Imposes a \$4.5 billion tax on businesses when they hire new workers, develop new technologies, and research solutions to treat and vaccinate against COVID-19. Taxpayers would be prohibited from utilizing more than \$5 million in tax credits and incentives annually for three years, beginning January 1, 2020. When combined with the proposed suspension of the net-operating loss deduction, the total tax increase for the three-year period is \$9.2 billion.

Revenue Estimate: Governor's May Budget Revision estimate for fiscal year 2020-21. The interaction between the NOL suspension and credit limitation results in an additional revenue gain of \$1.3 billion over three years.



BUDGET TRAILER BILL

TAX ON VAPOR PRODUCTS

\$33 MILLION

Version Reviewed: RN 20-09172 – 2/25/2020

Imposes a tax of \$2 per 40 milligrams of nicotine content on vapor products, and earmarks revenue for various health programs.

Revenue Estimate: Governor's May Budget Revision estimate for fiscal year 2020-21.



BUDGET TRAILER BILL

REQUIRES USE OF MARKET VALUE FOR PRIVATE AUTO SALES

\$30 MILLION

Version Reviewed: Trailer Bill Language – 5/15/2020

Creates a new system for calculating the use tax on private vehicle sales, designed to increase use tax owed by purchasers.

Revenue Estimate: Governor's May Budget Revision estimate for fiscal year 2020-21.

LEGISLATION WITH UNKNOWN COSTS

AB 398 TAX ON CALIFORNIA JOBS

AB 398 (Chu) imposes a \$275-per-employee headcount tax for five years on companies that employ 500 or more Californians, with revenue going to local governments and schools.

Version Reviewed: Amended – 5/28/2020 | **Vote Required:** Two-Thirds | **Status:** Active

AB 613 REGULATORY FEE INCREASES

AB 613 (Low) proposes that every board within the Department of Consumer Affairs increase any authorized fee every four years by an amount not to exceed the rate of inflation for the preceding four years.

Version Reviewed: Introduced – 2/14/2019 | **Vote Required:** Majority | **Status:** Active

AB 896 OPTOMETRIC CLINICAL FACILITIES FEE

AB 896 (Low) proposes a registration fee for optometric clinical facilities.

Version Reviewed: Amended – 2/25/2020 | **Vote Required:** Two-Thirds | **Status:** Active

AB 1080/SB 54 UNSPECIFIED FEE FOR WASTE RECYCLING

AB 1080 (Gonzalez) and **SB 54** (Allen) propose the California Circular Economic and Pollution Reduction Act and impose a regulatory scheme on producers, retailers and wholesalers of single-use packaging and priority single-use products, and authorize the Department of Resources Recycling and Recovery to impose a regulatory fee on producers at an amount not to exceed the cost of administration of the regulatory scheme.

Version Reviewed: Amended – 9/10/2019 | **Vote Required:** Majority | **Status:** Active

AB 1457 CREATES TAXING AUTHORITY IN SAN BERNARDINO

AB 1457 (Reyes) proposes creating a joint powers authority in San Bernardino County that would be authorized to impose fees and levy a transactions and use tax.

Version Reviewed: Amended – 5/24/2019 | **Vote Required:** Majority | **Status:** Active

AB 1627 TOBACCO DIRECTORY FEE

AB 1627 (Robert Rivas) provides that the state's directory of companies that certify they have made payments under a federal settlement agreement expires April 29 each year, and requires tobacco companies to renew their listings on the directory each year and pay a \$1,000 fee to the attorney general.

Version Reviewed: Amended – 1/15/2020 | **Vote Required:** Majority | **Status:** Active

AB 1665 ATHLETIC TRAINER FEES

AB 1665 (Bonta) enacts the Athletic Training Practice Act to establish licensing, regulatory and disciplinary functions relating to athletic trainers. The bill imposes a license application fee to cover the costs of the program, and requires trainers to renew their licenses and pay additional fees every two years.

Version Reviewed: Amended – 2/24/2020 | **Vote Required:** Majority | **Status:** Active

AB 1860 HIGHER LOCAL TAXES FOR HOMELESS HOUSING AND SERVICES

AB 1860 (Santiago) proposed lowering the vote threshold (from two-thirds to a simple majority) for sales and use taxes and parcel taxes that fund homeless housing and services. The bill additionally would have authorized local jurisdictions to exceed the state's 2 percent cap on transactions and use taxes if the tax is used to support homeless housing and services.

Version Reviewed: Amended – 5/4/2020 | **Vote Required:** Majority | **Status:** Dead²

AB 2142 BOARD OF BEHAVIORAL SCIENCES FEE INCREASE

AB 2142 (Medina) establishes new minimum fee amounts and authorizes the Board of Behavioral Sciences to set fees higher, up to a prescribed maximum. The bill also sets a delinquency fee at 50 percent of the license renewal fee amount.

Version Reviewed: Introduced – 2/20/2020 | **Vote Required:** Majority | **Status:** Active

AB 2208 CHARITABLE FEE

AB 2208 (Irwin) imposes registration and renewal fees on charitable fundraising platforms.

Version Reviewed: Amended – 5/4/2020 | **Vote Required:** Majority | **Status:** Active

2. The author has indicated the bill will not move forward.

AB 2454 AUTOMOTIVE REPAIR DEALER FEE

AB 2454 (Low) requires the Bureau of Automotive Repair to establish a “trusted dealer” certification program for automotive repair dealers, and to require certified dealers to pay an annual fee.

Version Reviewed: Amended – 3/16/2020 | **Vote Required:** Majority | **Status:** Active

AB 2592 FEE FOR REDUCING HUMAN REMAINS

AB 2592 (Cristina Garcia) requires facilities that reduce and dispose of human remains to pay a license fee with their application, with revenue deposited into the Cemetery and Funeral Fund. The bill additionally requires facilities to pay a fee for every reduction of human remains during the preceding quarter, capped at \$8.50 per reduction.

Version Reviewed: Amended – 5/14/2020 | **Vote Required:** Majority | **Status:** Active

AB 2663 TAX ON DIMETHYL ETHER

AB 2663 (Eduardo Garcia) imposes an excise tax on a propane fuel blend and dimethyl ether at \$0.06 and \$0.048 per gallon, respectively.

Version Reviewed: Amended – 5/5/2020 | **Vote Required:** Majority | **Status:** Active

AB 2843 HEADCOUNT TAX FOR AFFORDABLE HOUSING

AB 2843 (Chu) proposed requiring a city or county to collect a new tax – labeled as a “fee” – from any applicant for a local business license, in an amount based on the number of employees, and deposit revenue into the newly created Affordable Housing Assistance Fund. In addition to penalizing companies for hiring employees in this state, the bill would have required businesses that employ more California workers to pay a higher per-employee rate (for example, \$150 per employee for a business with 1,000 workers, compared to \$75 per employee for a business with 200 workers). Revenue would be used to fund first-time homebuyer programs, provide vouchers to homeless individuals, fund and subsidize housing that is 100 percent affordable to low- and moderate-income people and families, and provide rent assistance.

Version Reviewed: Introduced – 2/20/2020 | **Vote Required:** Two-Thirds | **Status:** Dead²

AB 3083 AMBULATORY SURGICAL CENTER FEE

AB 3083 (Arambula) certifies an ambulatory surgical center to provide elective cardiac catheterization laboratory services that meet certain requirements, and authorizes the State Department of Public Health to impose a fee to cover the regulatory costs.

Version Reviewed: Amended – 5/20/2020 | **Vote Required:** Majority | **Status:** Active

2. The author has indicated the bill will not move forward.

AB 3101 CALIFORNIA NEW MARKETS TAX CREDIT

AB 3101 (Rubio) allows a California New Markets Tax Credit under the personal and corporate income law, in modified conformity with the federal tax credit, for specified investments in low-income communities. The bill additionally requires the Governor's Office of Business and Economic Development to establish and impose fees upon entities that apply for the credit.

Version Reviewed: Amended – 3/16/2020 | **Vote Required:** Majority | **Status:** Active

ACA 1 HIGHER LOCAL TAXES FOR BROAD DEFINITION OF INFRASTRUCTURE

ACA 1 (Aguiar-Curry) proposes lowering the vote threshold from two-thirds to 55 percent for local taxes that fund “infrastructure” and affordable housing.

Version Reviewed: Amended – 3/18/2019 | **Vote Required:** Two-Thirds | **Status:** Active

ACA 23 TAXES LOTTERY WINNINGS

ACA 23 (Gray) deletes the voter-approved prohibition on imposing a state or local tax on any prize awarded by the California Lottery (Proposition 37, 1984) by imposing personal income taxes on all winnings equal to or greater than \$1,000. This measure requires voter approval to take effect.

Version Reviewed: Introduced – 2/21/2020 | **Vote Required:** Two-Thirds | **Status:** Active

SB 254 CALIFORNIA EARTHQUAKE AUTHORITY FEE

SB 254 (Hertzberg) proposed authorizing the California Earthquake Authority to instruct all insurers to collect an assessment on insurance policies, including specified insurance policies that cover risk in high seismic risk zones.

Version Reviewed: Amended – 4/1/2019 | **Vote Required:** Two-Thirds | **Status:** Tax or fee provisions removed

SB 480 LICENSE FEE FOR RADIOLOGIST ASSISTANTS

SB 480 (Archuleta) proposes a license fee and renewal fee to be imposed on radiologist assistants.

Version Reviewed: Amended – 1/14/2020 | **Vote Required:** Majority | **Status:** Active

SB 741 GENDER-CHANGE DOCUMENTATION FEE

SB 741 (Galgiani) proposes authorizing counties to establish a fee for processing a change of gender on a birth certificate or marriage license.

Version Reviewed: Amended – 4/30/2019 | **Vote Required:** Majority | **Status:** Active

SB 865 EXCAVATION FEE

SB 865 (Hill) required a person planning to conduct an excavation to complete a specified online training program provided through a regional notification center, and to pay a fee for the training.

Version Reviewed: Introduced – 1/17/20 | **Vote Required:** Majority | **Status:** Tax or fee provisions removed

SB 917 STATE TAKEOVER OF PRIVATE UTILITIES, WITH NEW TAXING AUTHORITY

SB 917 (Wiener) authorizes the renamed California Consumer Energy and Conservation Financing Authority to acquire, by eminent domain, the assets or ownership of an electrical corporation, gas corporation, or public utility if that corporation has been convicted of more than one felony criminal violation within 10 years of the eminent domain commencement. The bill additionally establishes the Northern California Energy Utility District with a seven-member governing board representing nonoverlapping districts of equal population in the newly formed public utility. The district would have the authority to levy taxes.

Version Reviewed: Amended – 4/3/2020 | **Vote Required:** Majority | **Status:** Active

SB 991 COURT REPORTER FEE INCREASE

SB 991 (Gonzalez) increases court reporter fees to \$1.13 for every 100 words of transcription for original ribbon or printed copy and 20 cents per copy purchased other than the original.

Version Reviewed: Introduced – 2/12/2020 | **Vote Required:** Majority | **Status:** Active

SB 1139 TAX INCREASE ON PUNITIVE DAMAGES

SB 1139 (Hill) proposed eliminating a corporation tax deduction for expenses or expenditures by an electrical corporation or gas corporation that has been penalized by the Public Utilities Commission for a safety violation. The bill would have required the corporation to provide with its tax return a certification that none of the expenses were used in determining taxable income. Any penalties would be required to be recovered from shareholders and not ratepayers.

Version Reviewed: Introduced – 2/19/2020 | **Vote Required:** Two-Thirds | **Status:** Dead²

2. The author has indicated the bill will not move forward.

SB 1206 FEE FOR BROADBAND PROJECTS

SB 1206 (Gonzalez) imposes a fee for a permit application relating to a broadband infrastructure development project.

Version Reviewed: Amended – 4/1/2020 | **Vote Required:** Majority | **Status:** Active

SB 1435 OPPORTUNITY ZONE REPORTING AND FEES

SB 1435 (Durazo) requires the Governor’s Office of Business and Economic Development to track specified information regarding California opportunity zone investments and to post some of that information to the department’s website. The bill also requires the manager of an opportunity zone fund to submit specified information about the fund and any real estate investments to the Governor’s Office. The bill states intent to impose a registration fee on development projects within a California opportunity zone, to be paid by managers of the opportunity zone funds, calculated by the size and type of development project.

Version Reviewed: Amended – 4/9/2020 | **Vote Required:** Majority | **Status:** Active

METHODOLOGY



This report identifies higher taxes, fees, assessments, and charges lawmakers have acted on since January 6, 2020. During this period, the California Tax Foundation identified 42 bills and constitutional amendments that contain higher costs, although the costs cannot yet be quantified for 27 of the measures.

Under Proposition 26, the voter-approved Stop Hidden Taxes Act of 2010, a tax is defined as any change in state statute that results in any taxpayer paying a higher tax or exaction, including any unreasonable fee or charge. This report includes any measure that imposes or authorizes higher taxes or tax-like “fees,” as well as any legislation that increases a regulatory and/or license fee, user charge, or other charge for receiving a specific government service or benefit. Legislation imposing fines, penalties and other costs for violating state or local laws is not included. This report also excludes legislation estimated to generate less than \$1 million per year in net revenue.

Revenue estimates are 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 in the range 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.

For “spot” bills that contain placeholder language intending to impose a tax or fee, without detailed language, the California Tax Foundation used revenue estimates from previous comparable proposals or available economic studies. Once the proposals are amended, the revenue estimates may change.

ABOUT THE CALIFORNIA TAX FOUNDATION

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