



TAX AND FEE REPORT

Major Taxes and Fees Introduced in the California Legislature

Vol. VIII, No. 2

December 1, 2021



\$236.4 BILLION

Since the start of the 2021-22 session, California lawmakers have proposed increasing annual taxes and fees by more than \$236.4 billion.

INTRODUCTION

During the first year of the 2021-22 session, California lawmakers proposed more than \$236.4 billion in new taxes and fees, including income tax increases, a “wealth tax,” phone taxes, and business tax increases.

The tax and fee proposals were introduced despite the state’s reserves of more than \$20.7 billion, a windfall of unexpected tax revenue (nearly \$11 billion above projections during the first four months of the 2021-22 fiscal year alone), and an influx of \$27 billion in federal COVID-19 relief funding (and an additional \$16 billion in federal American Rescue Plan Act funds for local governments in California).

The state budget for 2021-22 includes \$257.6 billion in total spending – a 13 percent increase from the prior year.

While most of the proposed tax and fee increases were defeated, the state did approve phone tax increases and also continued the higher business taxes approved in the 2020-21 budget, projected to cost taxpayers \$9.2 billion over a three-year period by suspending the net operating loss deduction and placing a limit of \$5 million per year on business tax credits, including the research-and-development credit.

The second year of the legislative session will begin January 3, and lawmakers will have until February 18 to introduce new bills for consideration in the 2021-22 session.

THE MOST EXPENSIVE BILLS



AB 1400 **TAXPAYER-FUNDED HEALTH CARE FOR ALL** \$200 BILLION

AB 1400 (Kalra) would create a single-payer health care program at an estimated cost of at least \$200 billion per year, funded by taxpayers.



AB 310/ACA 8 **WEALTH TAX** \$22.3 BILLION

AB 310/ACA 8 (Lee) would impose a “wealth tax” on California residents and former residents. California would become the only state to impose such a tax on art, collectibles, retirement funds, farm assets, stocks, and many other assets.



AB 1253 **PERSONAL INCOME TAX INCREASES** \$6.5 BILLION

AB 1253 (Santiago) would increase the top state personal income tax rate – already the highest in the nation – to 16.8 percent.

TOTAL TAXES AND FEE SUPPORTED BY ASSEMBLY MEMBERS

\$233,044,600,000

Ash Kalra (D-San Jose)

\$232,909,600,000

Alex Lee (D-Milpitas)

\$231,995,600,000

Miguel Santiago (D-Los Angeles)

\$228,289,600,000

Luz Rivas (D-Arleta)

\$210,744,600,000

Buffy Wicks (D-Oakland)

\$204,244,600,000

David Chiu (D-San Francisco)

\$203,450,600,000

Philip Ting (D-San Francisco)

\$203,039,600,000

Laura Friedman (D-Burbank)
Kevin McCarty (D-Sacramento)
Adrin Nazarian (D-Van Nuys)

\$33,044,600,000

Lorena Gonzalez (D-San Diego)

\$32,789,600,000

Wendy Carrillo (D-Los Angeles)

\$25,594,600,000

Mark Stone (D-Santa Cruz)

\$9,539,600,000

Reginald Jones-Sawyer (D-Los Angeles)

\$6,244,600,000

Autumn Burke (D-Inglewood)

\$6,168,700,000

Marc Levine (D-San Rafael)

\$6,158,300,000

Bill Quirk (D-Hayward)

\$5,989,600,000

Timothy Grayson (D-Concord)

\$5,989,600,000

Kevin Mullin (D-San Mateo)

\$5,195,600,000

Evan Low (D-Cupertino)

\$4,244,600,000

Robert Rivas (D-Salinas)

\$4,149,100,000

Akilah Weber (D-La Jolla)

\$4,145,600,000

Eduardo Garcia (D-Coachella)

Chris Holden (D-Pasadena)

\$4,069,600,000

Mike Gipson (D-Gardena)

\$3,989,600,000

Lisa Calderon (D-Whittier)

Ed Chau (D-Arcadia)

Christopher Ward (D-San Diego)

\$3,913,700,000

Richard Bloom (D-Santa Monica)

Jesse Gabriel (D-Woodland Hills)

\$3,294,600,000

Cecilia Aguiar-Curry (D-Davis)

Marc Berman (D-Menlo Park)

\$3,195,600,000

Steve Bennett (D-Ventura)

Jose Medina (D-Riverside)

\$3,144,600,000

Blanca Rubio (D-West Covina)

\$3,048,800,000

Cristina Garcia (D-Downey)

\$3,039,600,000

Jim Cooper (D-Elk Grove)

Al Muratsuchi (D-Torrance)

Patrick O'Donnell (D-Long Beach)

Sharon Quirk-Silva (D-Fullerton)

\$3,029,100,000 (median)**\$3,018,600,000**

Eloise Gómez Reyes (D-San Bernardino)

\$2,963,700,000

Rebecca Bauer-Kahan (D-Orinda)

Jim Wood (D-Santa Rosa)

\$2,962,700,000

Anthony Rendon (D-Lakewood)

\$2,922,700,000

Isaac Bryan (D-Baldwin Hills)

\$2,889,600,000

Tom Daly (D-Anaheim)

\$2,794,100,000

Jim Frazier (D-Fairfield)

\$2,789,600,000

Tasha Boerner Horvath (D-Encinitas)

Brian Maienschein (D-San Diego)

\$2,771,300,000

Cottie Petrie-Norris (D-Irvine)

\$2,755,600,000

Sabrina Cervantes (D-Riverside)

Freddie Rodriguez (D-Pomona)

\$2,728,900,000

Ken Cooley (D-Rancho Cordova)

\$2,599,600,000

Joaquin Arambula (D-Fresno)

\$2,599,600,000

Jacqui Irwin (D-Camarillo)

Rudy Salas Jr. (D-Bakersfield)

Carlos Villapudua (D-Stockton)

\$2,579,600,000

James Ramos (D-Rancho Cucamonga)

\$2,503,700,000

Adam Gray (D-Merced)

\$2,339,300,000

Chad Mayes (I-Rancho Mirage)

\$2,080,900,000

Devon Mathis (R-Visalia)

\$1,946,900,000

Jordan Cunningham (R-San Luis Obispo)

\$1,846,900,000

Tom Lackey (R-Palmdale)

\$1,826,900,000

Marie Waldron (R-Escondido)

\$1,824,900,000

Laurie Davies (R-San Juan Capistrano)

\$1,823,000,000

Randy Voepel (R-Santee)

\$1,818,500,000

Suzette Martinez Valladares (R-Santa Clarita)

\$1,801,500,000

Janet Nguyen (R-Huntington Beach)

\$1,625,400,000

Mia Bonta (D-Alameda)

\$1,402,900,000

Heath Flora (R-Ripon)

\$1,284,300,000

Vince Fong (R-Bakersfield)

\$866,900,000

James Gallagher (R-Chico)

\$865,500,000

Thurston "Smitty" Smith (R-Hesperia)

\$342,900,000

Jim Patterson (R-Fresno)

\$322,300,000

Phillip Chen (R-Yorba Linda)

Megan Dahle (R-Redding)

Kevin Kiley (R-Granite Bay)

\$299,900,000

Kelly Seyarto (R-Murrieta)

\$292,900,000

Steven Choi (R-Irvine)

\$111,600,000

Frank Bigelow (R-O'Neals)

* Assembly Member Isaac Bryan assumed office May 28, 2021, and Assembly Member Mia Bonta assumed office September 7, 2021.

TOTAL TAXES AND FEE SUPPORTED BY SENATORS

— **\$204,496,700,000**

\$204,496,700,000

Scott Wiener (D-San Francisco)

\$202,055,600,000

Bob Wieckowski (D-Fremont)

\$201,773,200,000

Dave Cortese (D-Campbell)

Sydney Kamlager (D-Los Angeles)

John Laird (D-San Luis Obispo)

Mike McGuire (D-Santa Rosa)

\$201,699,100,000

Lena Gonzalez (D-Long Beach)

\$201,679,100,000

Josh Becker (D-San Mateo)

\$2,241,700,000

Connie Leyva (D-San Bernardino)

\$2,221,700,000

Bob Archuleta (D-Norwalk)

\$2,220,300,000

Steven Glazer (D-Antioch)

\$2,106,500,000

Susan Talamantes Eggman (D-Stockton)

\$2,068,500,000

Rosilicie Ochoa Bogh (R-Rancho Cucamonga)

\$2,050,700,000

Henry Stern (D-Calabasas)

\$2,035,600,000

Nancy Skinner (D-Oakland)

\$1,936,200,000

Benjamin Allen (D-Redondo Beach)

\$1,866,300,000

Thomas Umberg (D-Santa Ana)

\$1,825,500,000

Jim Nielsen (R-Roseville)

\$1,793,200,000

Maria Elena Durazo (D-Los Angeles)

\$1,774,600,000

Josh Newman (D-Fullerton)

Richard Pan (D-Sacramento)

— **\$1,774,600,000 (median)**

\$1,773,200,000

Anna Caballero (D-Merced)

Dave Min (D-Irvine)

\$1,679,100,000

Richard Roth (D-Riverside)

Susan Rubio (D-West Covina)

\$1,678,100,000

Monique Limón (D-Santa Barbara)

\$1,677,700,000

Toni Atkins (D-San Diego)

Steven Bradford (D-Inglewood)

Bill Dodd (D-Vacaville)

Robert Hertzberg (D-Van Nuys)

Ben Hueso (D-Chula Vista)

Anthony Portantino (D-Glendale)

\$1,456,500,000

Melissa Hurtado (D-Fresno)

\$1,284,300,000

Brian Jones (R-El Cajon)

\$1,275,900,000

Melissa Melendez (R-Murrieta)

\$1,274,500,000

Scott Wilk (R-Lancaster)

\$1,259,900,000

Patricia Bates (R-Laguna Hills)

\$1,256,000,000

Andreas Borgeas (R-Oakdale)

\$1,251,500,000

Brian Dahle (R-Redding)

Shannon Grove (R-Bakersfield)

— **\$1,251,500,000**

* Sydney Kamlager served in both the Assembly and Senate in 2021, the taxes reported are a cumulative total from her votes in both houses.

PROJECTED COST TO TAXPAYERS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Taxpayer-Funded Health Care for All – AB 1400 (Kalra)	\$200,000,000,000	②
Wealth Tax – AB 310/ACA 8 (Lee)	\$22,300,000,000	②
Tax Increase on High Earners – AB 1253 (Santiago)	\$6,500,000,000	②
Personal Income Tax Increase – AB 65 (Low)	\$2,072,119,000	x
Excise Tax on Rental Income – AB 1199 (Gipson)	\$1,000,000,000	②
Transportation Fees – SB 69 (McGuire)	\$960,000,000	✓
Higher Taxes on California Businesses – AB 71 (Luz Rivas, Chiu)	\$950,000,000	②
New Phone Tax – AB 988 (Bauer-Kahan)/AB 270 (Ramos)	\$542,600,000	②
Firearms Tax – AB 1223 (Levine)	\$440,000,000	②
Underground Storage Tank Tax Increase – AB 753 (Grayson)	\$262,400,000	②
Lower Vote Threshold for Local Taxes – ACA 1 (Aguiar-Curry, Lorena Gonzalez, Chiu)	\$255,000,000	②
Mercury Thermostat Fees – AB 707 (Quirk)	\$210,700,000	✓
Phone Tax – AB 1176 (Eduardo Garcia and Santiago)	\$156,000,000	②
Phone Tax Increase – SB 4 (Gonzalez)	\$150,000,000	✓
Disallows Mortgage Interest Deduction for Non-Principal Residences – AB 946 (Lee)	\$120,000,000	②
Hazardous Waste Fees – SB 158 (Senate Budget Committee)	\$104,000,000	✓
Phone Tax Increase – AB 14 (Aguiar-Curry)	\$100,000,000	✓
Environmental Safety Fees – AB 158 (Assembly Budget Committee)	\$95,500,000	②

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Fee on California Lawyers – SB 211 (Umberg)	\$75,900,000	✓
Online Fundraising Fee – AB 488 (Irwin)	\$22,200,000	✓
Increased Fees for Homebuilders – SB 607 (Min)	\$21,000,000	✓
Hazardous Waste Fee – AB 1 (Cristina Garcia and Santiago)	\$20,000,000	②
Tax on Electronic Cigarettes – SB 395 (Caballero)	\$ 18,600,000	✓
Hazardous Waste Tax Increase – AB 732 (Quirk and Cristina Garcia)	\$9,200,000	②
Increased Fees for Health Care Providers – SB 806 (Roth)	\$8,400,000	✓
Veterinary Board Application Fee – AB 1535 (Assembly Business and Professions Committee)	\$3,900,000	✓
Bird-Hunting Fee Increase – AB 614 (Aguiar-Curry)	\$2,000,000	✓
Cremation Fee – AB 501 (Cristina Garcia)	\$1,400,000	②
Meat Processing Fees – SB 815 (Senate Agriculture Committee)	\$1,000,000	✓

Key

- ✓ The bill was signed into law and chaptered.
- ② The bill is a two-year bill, or constitutional amendment that may be considered in 2022.
- ✕ Levy removed.

LEGISLATION WITH KNOWN COSTS



AB 1

INCREASED FEES FOR HAZARDOUS WASTE

\$20 MILLION

Vote Required: Majority

Version Reviewed: Introduced – 12/7/2020

Status: Two-Year Bill

AB 1 (Cristina Garcia and Santiago) increases fees imposed by the Department of Toxic Substances Control to fill a projected deficit in the state's Hazardous Waste Control Account, and makes various changes intended to improve the department's ongoing performance problems.

Revenue Estimate: Assembly Floor Analysis 5/26/2021.



AB 14

NEW TAX ON TELECOMMUNICATIONS SERVICE

\$100 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 9/2/2021

Status: Chaptered – 10/8/2021

AB 14 (Aguiar-Curry) imposes a tax on Californians' intrastate telecommunications services and earmarks the revenue for expanding broadband access in California. Although the revenue will be used for one-time infrastructure, the tax will continue in perpetuity.

Revenue Estimate: AB 14 language.



AB 65

PERSONAL INCOME TAX INCREASE

\$2 BILLION

Vote Required: Majority

Version Reviewed: Amended – 4/13/2021

Status: Levy Removed – 4/13/2021

AB 65 (Low) originally proposed a 1 percent tax on income above \$2 million to fund a program providing cash payments to every Californian who is at least 18 years old, is not incarcerated, has been a resident for the prior three consecutive tax years, and does not earn more than 200 percent of the per capita median income for the county in which the person resides. The tax increase provisions were removed from the bill April 13.

Revenue Estimate: California Tax Foundation estimate using Franchise Tax Board 2018 mental health surcharge data.

**AB 71****HIGHER TAXES ON CALIFORNIA BUSINESSES****\$950 MILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 5/24/2021**Status:** Two-Year Bill

AB 71 (Luz Rivas, Chiu) seeks to impose a tax increase on businesses in California. The bill would impose a greater tax burden on businesses in California (whether headquartered in this state or elsewhere in the United States) than on international corporations headquartered in foreign countries. Revenue raised from the tax would be used to fund homeless housing services and programs. The bill would include a taxpayer's global low-taxed income in gross income for purposes of the personal income tax law, and would require a taxpayer that makes a water's-edge election to take into account 50 percent of the global low-taxed income and 40 percent of the repatriation income of its affiliated corporations. The bill allows a taxpayer, for calendar year 2022 only, the opportunity to revoke a water's-edge election. The bill also prohibits a taxpayer that experiences a tax increase under these provisions from utilizing business tax credits to offset more than \$5 million of the new liability. Prior to March 25 amendments, the bill also proposed increasing the corporate tax rate.

Revenue Estimate: Assembly Revenue and Taxation Committee analysis.

**AB 158****TAX TO FUND TOXIC SUBSTANCES CONTROL****\$95.5 MILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 6/25/2021**Status:** Two-Year Bill

AB 158 (Assembly Budget Committee) proposes to restructure and increase charges that support the Hazardous Waste Management Account, and restructure and increase the tax that provides revenue for the Toxic Substances Control Account. Authority to adjust the tax rate annually would be shifted from the Department of Tax and Fee Administration to the Board of Environmental Safety.

Revenue Estimate: Legislative Analyst's Office.



AB 270

PHONE TAX INCREASE

\$542.6 MILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 1/19/2021

Status: Two-Year Bill

AB 270 (Ramos) imposes a tax on each resident who is a subscriber to commercial mobile or IP-enabled voice services. Revenue would be earmarked for creating a suicide prevention hotline.

Revenue Estimate: California Tax Foundation.



AB 310/ACA 8

WEALTH TAX

\$22.3 BILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 4/5/2021

Status: Two-Year Bill

AB 310/ACA 8 (Lee) seek to impose a wealth tax of 1 percent on taxpayers with worldwide net worth greater than \$50 million and a 1.5 percent wealth tax on taxpayers with a net worth greater than \$1 billion. The tax, which would make California the only state in the nation with a wealth tax, would apply to art, collectibles, retirement funds, financial assets, farm assets, stocks, and many other assets. The tax would continue to be imposed for several years after a taxpayer moved out of California. ACA 8 is a proposed constitutional amendment that would place the issue before voters.

Revenue Estimate: “The California Tax on Extreme Wealth (ACA 8 & AB 310): Revenue, Economic, and Constitutional Analysis,” March 21, 2021, by Brian Galle, David Gamage, Emmanuel Saez, and Darien Shanske.



AB 488

FEE ON ONLINE FUNDRAISING

\$22.2 MILLION

Vote Required: Majority

Version Reviewed: Amended – 8/26/2021

Status: Chaptered – 10/7/2021

AB 488 (Irwin) requires charitable fundraising platforms, including Internet sites that facilitate charitable giving, to register with the Attorney General’s Registry of Charitable Trusts and pay registration fees.

Revenue Estimate: California Tax Foundation.



AB 501 CREMATION FEE

\$1.4 MILLION

Vote Required: Majority

Version Reviewed: Amended – 7/15/2021

Status: Two-Year Bill

AB 501 (Cristina Garcia) requires a licensed human reduction facility to pay a fee to the Cemetery and Funeral Bureau for every cremation and allows the bureau to set licensing and renewal fees to cover the costs of implementation of the program, up to \$8.50 per cremation.

Revenue Estimate: California Tax Foundation.



AB 614 BIRD-HUNTING FEE INCREASE

\$2 MILLION

Vote Required: Majority

Version Reviewed: Amended – 7/1/2021

Status: Chaptered – 10/5/2021

AB 614 (Aguiar-Curry) increases fees for hunting ducks and upland game birds by \$10 and earmarks revenue for the Nesting Bird Habitat Incentive Program.

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



AB 707 TAX ON THERMOSTAT MANUFACTURERS

\$210.7 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 9/3/2021

Status: Chaptered – 10/8/2021

AB 707 (Quirk) replaces an existing state recycling program for mercury thermostats with a new version, and requires manufacturers of mercury thermostats to pay an as-yet-unspecified amount into the state's Mercury Thermostat Collection Fund. Manufacturers that fail to contribute to the fund would be subject to a sales ban and penalties.

Revenue Estimate: California Tax Foundation.



AB 732

HAZARDOUS WASTE TAX INCREASE

\$9.2 MILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 2/16/2021

Status: Two-Year Bill

AB 732 (Quirk and Cristina Garcia) increases the state tax on businesses classified as using, generating, storing, or conducting activities in California related to hazardous materials. The new rates would be \$525 for organizations with 50 to 74 employees; \$922 for organizations with 75 to 99 employees; \$1,831 for organizations with 100 to 249 employees; \$3,928 for organizations with 250 to 499 employees; \$7,336 for organizations with 500 to 999 employees; and \$24,886 for organizations with 1,000 or more employees.

Revenue Estimate: California Tax Foundation.



AB 753

UNDERGROUND STORAGE TANK TAX INCREASE

\$262.4 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 6/14/2021

Status: Two-Year Bill

AB 753 (Grayson) extends the collection of a “storage fee” for each gallon of petroleum stored in an underground tank – currently set to be repealed in 2026 – until 2031.

Revenue Estimate: California Department of Tax and Fee Administration.



AB 946

DISALLOWS MORTGAGE INTEREST DEDUCTION FOR NON-PRINCIPAL RESIDENCES

\$120 MILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 2/17/2021

Status: Two-Year Bill

AB 946 (Lee) disallows the mortgage interest deduction for residences that are not the principal residence of the taxpayer, beginning January 1, 2022. Revenue generated by this tax increase would be earmarked for the Home Purchase Assistance Fund.

Revenue Estimate: Assembly Revenue and Taxation Committee analysis.



AB 988

NEW PHONE TAX

\$542.6 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 6/22/2021

Status: Two-Year Bill

AB 988 (Bauer-Kahan) imposes a tax on telephone users to fund a state suicide hotline. The tax rate would be determined based on the Office of Emergency Services' estimate of program costs (the 988 tax would be calculated similarly to the 911 surcharge).

Revenue Estimate: California Tax Foundation.



AB 1176

PHONE TAX

\$156 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 4/19/2021

Status: Two-Year Bill

AB 1176 (Eduardo Garcia and Santiago) requires the state to ensure that high-speed broadband service is available to every household in the state at affordable rates, and requires each service supplier to remit to the state revenue from a monthly surcharge not to exceed \$0.23 per month per access line, for deposit into the California Connect Fund.

Revenue Estimate: Assembly Communications and Conveyance Committee analysis.



AB 1199

EXCISE TAX ON RENTAL INCOME

\$1 BILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 4/5/2021

Status: Two-Year Bill

AB 1199 (Gipson) imposes an annual excise tax of 25 percent on gross receipts derived from rental income. The tax, which could not be passed through via higher rents, would be imposed on taxpayers who own 10 or more qualified properties. Revenue from the tax would fund rental assistance, eviction legal services, and programs relating to homelessness.

Revenue Estimate: Author's fact sheet.



AB 1223

FIREARMS TAX

\$440 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 6/10/2021

Status: Two-Year Bill

AB 1223 (Levine) imposes an excise tax of 10 percent of the sales price of a handgun and 11 percent of the sales price of a long gun rifle, firearm precursor part, and ammunition.

Revenue Estimate: California Tax Foundation.



AB 1253

TAX INCREASE ON HIGH EARNERS

\$6.5 BILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 3/25/2021

Status: Two-Year Bill

AB 1253 (Santiago) increases the top state personal income tax rate – already the highest in the nation – to 16.8 percent by imposing a surcharge at the rates of 1 percent on income between \$1 million and \$2 million, 3 percent on income between \$2 million and \$5 million, and 3.5 percent on income greater than \$5 million.

Revenue Estimate: Franchise Tax Board analysis of AB 1253 (2020).



AB 1400

TAXPAYER-FUNDED HEALTH CARE FOR ALL

\$200 BILLION

Vote Required: Majority

Version Reviewed: Introduced – 2/19/2021

Status: Two-Year Bill

AB 1400 (Kalra) creates a universal single-payer health care program and states the intent to develop a revenue plan to finance the program. Past proposals estimated program costs of \$200 billion funded by new state gross receipts taxes and a sales tax on services. The costs likely would be higher now, due to inflation.

Revenue Estimate: Senate Appropriations Committee analysis of SB 562 (2017).



AB 1535

VETERINARIAN FEES

\$3.9 MILLION

Vote Required: Majority

Version Reviewed: Amended – 8/26/2021

Status: Chaptered – 10/7/2021

AB 1535 (Assembly Business and Professions Committee) increases and decreases various fees paid by veterinarians and technicians to the Veterinary Medical Board, and eliminates the \$4,000 cap on the Veterinary Medical Board’s “wellness program” registration fee.

Revenue Estimate: California Tax Foundation.



ACA 1

LOWER VOTE THRESHOLD FOR LOCAL TAXES

\$255 MILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 12/7/2020

Status: Active

ACA 1 (Aguiar-Curry, Lorena Gonzalez, Chiu) lowers the vote threshold for local sales taxes and parcel taxes (from two-thirds to 55 percent) if those taxes finance affordable housing and public infrastructure, broadly defined. The proposed constitutional amendment additionally creates an exemption to the existing cap on ad valorem property taxes if the tax is to service bond debt incurred to fund public infrastructure, affordable housing or permanent supportive housing and is approved by at least 55 percent of the voters.

Revenue Estimate: California Tax Foundation.



SB 4

PHONE TAX INCREASE

\$150 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 9/2/2021

Status: Chaptered – 10/8/2021

SB 4 (Gonzalez) imposes a surcharge on telephone users to generate revenue for the California Advanced Services Fund, which issues grants for broadband infrastructure.

Revenue Estimate: SB 4 language.

**SB 69****FEE-COLLECTING AUTHORITY FOR TRANSPORTATION AGENCY****\$960 MILLION****Vote Required:** Majority**Version Reviewed:** Amended – 9/2/2021**Status:** Chaptered – 9/30/2021

SB 69 (McGuire) renames the North Coast Railroad Authority and gives it authority to fix and collect fees.

Revenue Estimate: California Tax Foundation.

**SB 158****TAX INCREASES TO FUND HAZARDOUS WASTE CLEANUP****\$104 MILLION****Vote Required:** Majority**Version Reviewed:** Amended – 6/25/2021**Status:** Chaptered – 7/12/2021

SB 158 (Senate Budget and Fiscal Review Committee) makes several changes to the Hazardous Waste Management Account, including setting the base rate for facility fees at \$94,910 (up from \$35,943), eliminating various exemptions from hazardous waste charges, and increasing environmental tax rates on businesses with more than 500 employees (from \$5,054 to \$54,100 in 2022) and businesses with 1,000 or more employees (from \$17,144 to \$54,100 in 2022).

Revenue Estimate: Office of Governor Gavin Newsom.

**SB 211****FEE ON CALIFORNIA LAWYERS****\$75.9 MILLION****Vote Required:** Majority**Version Reviewed:** Amended – 9/2/2021**Status:** Chaptered – 10/8/2021

SB 211 (Umberg) requires the State Bar to charge a \$395 license fee for active licensees for 2022.

Revenue Estimate: California Tax Foundation.



SB 395

TAX ON ELECTRONIC CIGARETTES

\$18.6 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 8/30/2021

Status: Chaptered – 10/4/2021

SB 395 (Caballero) imposes an electronic cigarette excise tax on purchasers, equal to 12.5 percent of the sales price, and earmarks revenue for various state funds. Since the excise tax is imposed on the gross receipts of the retail sale, and gross receipts for sales and use tax purposes include all receipts of any kind unless otherwise provided by law, the additional revenue generated by the excise tax also is subject to sales and use tax.

Revenue Estimate: Senate Health Committee analysis.



SB 607

INCREASED FEES FOR HOMEBUILDERS

\$21 MILLION

Vote Required: Majority

Version Reviewed: Amended – 9/3/2021

Status: Chaptered – 9/28/2021

SB 607 (Min) imposes approximately 25 percent increases to various licensing, application, renewal, and miscellaneous fees for licensees under the jurisdiction of the Contractors State License Board.

Revenue Estimate: Contractors State License Board.



SB 806

INCREASED FEES FOR HEALTH CARE PROVIDERS

\$8.4 MILLION

Vote Required: Majority

Version Reviewed: Amended – 9/3/2021

Status: Chaptered – 10/7/2021

SB 806 (Roth) extends the sunset dates for the state Medical Board, Osteopathic Medical Board, Podiatric Medical Board, and Physician Assistant Board, and increases fees for all licensees regulated by the Medical Board.

Revenue Estimate: Medical Board of California.



SB 815

MEAT PROCESSING FEES

\$1 MILLION

Vote Required: Majority

Version Reviewed: Introduced – 3/2/2021

Status: Chaptered – 9/28/2021

SB 815 (Senate Agriculture Committee) extends for five years the licensing fee and inspectors' fees for meat processing plants.

Revenue Estimate: California Tax Foundation.

LEGISLATION WITH UNKNOWN COSTS

AB 45 – INDUSTRIAL HEMP PRODUCTS FEE

AB 45 (Aguiar-Curry) imposes a \$250 fee on each manufacturer who produces industrial hemp or raw hemp.

Version Reviewed: Amended – 9/2/2021 | **Vote Required:** Two-Thirds | **Status:** Levy Removed

AB 144 – CHANGES TO FILM TAX CREDIT

AB 144 (Assembly Budget Committee) makes numerous changes to the film tax credit, including adding requirements to qualify, potentially resulting in some taxpayers receiving larger credits than under current law and others receiving smaller credits or no credits.

Version Reviewed: Amended – 7/11/2021 | **Vote Required:** Majority | **Status:** Two- Year Bill

AB 148 – FEES ON ENERGY PRODUCTION

AB 148 (Assembly Budget Committee), an omnibus budget trailer bill relating to natural resources, includes an increase in the oil spill prevention fee from \$0.065 to \$0.085 per barrel of crude oil or petroleum products, and an expansion of the fee to renewable fuel. The fee will be annually increased or decreased for inflation.

Version Reviewed: Amended – 7/11/2021 | **Vote Required:** Majority | **Status:** Chaptered – 7/23/2021

AB 177 – COURT-RELATED FEES

AB 177 (Assembly Budget Committee), a budget trailer bill relating to the courts, eliminates 17 criminal administrative fees, increases the transcription rate for court reporters, and makes other changes.

Version Reviewed: Amended 9/5/2021 | **Vote Required:** Majority | **Status:** Chaptered – 9/23/2021

AB 294 – TOW TRUCK FEE

AB 294 (Santiago) establishes the Vehicle Towing and Storage Board in the Department of Consumer Affairs to regulate the towing business. Businesses would be required to obtain a permit from the board and pay an annual fee to be allowed to operate a tow truck in California.

Version Reviewed: Introduced – 1/21/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 443 – CLINICAL READINESS FEE

AB 443 (Carrillo) authorizes physicians who are not citizens to participate in a fellowship program in a specialty or subspecialty field if certain criteria are met, and allows the California Medical Board to charge the physicians a fee to cover regulatory costs.

Version Reviewed: Amended – 4/19/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 561 – ACCESSORY DWELLING UNIT FEES

AB 561 (Ting) enacts the Help Homeowners Add New Housing Program, which would help homeowners qualify for loans to construct additional housing units on their property. Originally, the bill required the state treasurer to consult with private lenders to secure loans and establish a premium, fee, and interest structure to adequately cover the risk of loan defaults. The fee was removed from the bill April 6.

Version Reviewed: Amended – 4/6/2021 | **Vote Required:** Majority | **Status:** Levy Removed

AB 584 – FEE FOR HAULING MILK

AB 584 (Robert Rivas) requires the Department of Transportation to develop a pilot program to issue special permits for vehicles hauling raw milk in excess of 80,000 pounds, and allows the department to charge a fee to cover the costs of the program.

Version Reviewed: Amended – 3/26/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 646 – FEE FOR EXPUNGING CONVICTIONS FROM STATE SITES

AB 646 (Low) requires state licensing boards to remove information about a revoked license within 90 days of receiving an expungement order related to the conviction that prompted the revocation, and allows the boards to charge a fee to the licensee to cover costs of expungement. The bill includes special provisions relating to medical licenses.

Version Reviewed: Amended – 4/14/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 694 – COUNTY INSPECTION FEES

AB 694 (Assembly Privacy and Consumer Protection Committee), an omnibus bill relating to consumer protection, extends the authority for county boards of supervisors to charge fees for inspections of a variety of meters, scales, and other devices that weigh or measure a commodity offered for sale.

Version Reviewed: Amended – 9/3/2021 | **Vote Required:** Majority | **Status:** Chaptered – 10/6/2021

AB 702 – FEE FOR BREEDING ANIMALS

AB 702 (Santiago) requires animal breeders to apply for a license and pay a fee.

Version Reviewed: Amended – 4/19/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 756 – TAX ON FINANCIAL INSTITUTIONS

AB 756 (Nazarian) requires financial institutions that do business in California to pay a tax in the amount of 1 percent of each educational loan made to a private person, with revenue deposited into the California Kids Investment and Development Savings Program Fund.

Version Reviewed: Amended – 3/25/2021 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

AB 807 – INCREASED CHARGES FOR VESSELS

AB 807 (Grayson) increases the rates paid by vessels entering or exiting waters in the San Francisco Bay area for the mandatory use of “bar pilots,” and establishes minimum charges and a new “movement fee.”

Version Reviewed: Amended – 8/16/2021 | **Vote Required:** Two-Thirds | **Status:** Chaptered – 9/16/2021

AB 842 – PLASTIC RECYCLING FEE

AB 842 (Cristina Garcia) enacts the California Circular Economy and Plastic Pollution Act and imposes an “administrative fee” on a stewardship organization every three months to cover the costs of the recycling program.

Version Reviewed: Amended – 3/22/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 989 – FEE FOR APPEALING HOUSING DEVELOPMENT DECISIONS

AB 989 (Gabriel) authorizes the Department of Housing and Community Development to charge a fee to applicants who appeal a local housing development decision.

Version Reviewed: Amended – 8/18/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 1001 – FEE FOR AIR DISTRICTS’ REGULATORY ACTIVITY

AB 1001 (Cristina Garcia) requires local air districts to adopt rules for the installation and operation of emission-control technology, and originally would have allowed these districts to impose a fee to cover costs of the program. The fee was removed April 20.

Version Reviewed: Amended – 4/20/2021 | **Vote Required:** Majority | **Status:** Levy Removed

AB 1163 – LOCAL SODA TAXES

AB 1163 (Nazarian) repeals the prohibition on local governments imposing soda taxes. The current prohibition will be in effect until January 1, 2031, if left unchanged.

Version Reviewed: Introduced – 2/18/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 1466 – FEE FOR REMOVING RACIALLY RESTRICTIVE COVENANTS

AB 1466 (McCarty) enhances the system for removing unlawful racially restrictive covenants from property records and authorizes counties to impose a \$2 recording fee on various property recordings to raise revenue to fund the redaction program.

Version Reviewed: Amended – 9/3/2021 | **Vote Required:** Majority | **Status:** Chaptered – 9/29/2021

AB 1534 – FEES ON OPTOMETRISTS

AB 1534 (Assembly Business and Professions Committee) extends the authority of the California State Board of Optometry to regulate optometrists and impose various fees on licensed optometrists.

Version Reviewed: Amended – 9/3/2021 | **Vote Required:** Majority | **Status:** Chaptered – 10/7/2021

AB 1555 – EXTENSION OF WEIGHTS AND MEASURES FEE

AB 1555 (Cooper) extends for five years the authority of a county to charge an annual registration fee to cover the costs of weights and measures inspections.

Version Reviewed: Introduced – 2/19/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 50 – FEE FOR PRESCHOOL

SB 50 (Limón) would have allowed a state-contracted preschool provider to enroll 3- and 4-year-old children and assess fees for enrollment.

Version Reviewed: Amended – 9/2/2021 | **Vote Required:** Majority | **Status:** Vetoed – 10/6/2021

SB 144 – CHANGES TO FILM TAX CREDIT

SB 144 (Portantino) makes numerous changes to the film tax credit, including adding requirements to qualify, potentially resulting in some taxpayers receiving larger credits than under current law and others receiving smaller credits or no credits.

Version Reviewed: Amended – 7/11/2021 | **Vote Required:** Two-Thirds | **Status:** Chaptered – 7/21/2021

SB 148 – FEES ON ENERGY PRODUCTION

SB 148 (Senate Budget and Fiscal Review Committee), an omnibus budget trailer bill relating to natural resources, includes an increase in the oil spill prevention fee from \$0.065 to \$0.085 per barrel of crude oil or petroleum products, and an expansion of the fee to renewable fuel. The fee will be annually increased or decreased for inflation.

Version Reviewed: Amended – 7/11/2021 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

SB 220 – FEE ON DIRECT SHIPPING BY CRAFT DISTILLERS

SB 220 (Skinner) establishes a new license category for a distilled spirits direct shipper permit and sets an application fee of \$100 and an annual renewal fee of \$25.

Version Reviewed: Amended – 4/20/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 227 – OFF-HIGHWAY VEHICLE FEE

SB 227 (Jones) imposes a \$42 fee for vehicles that will be operated on public lands for which funds from the Off-Highway Vehicle Trust Fund have been expended.

Version Reviewed: Amended – 6/23/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 235 – HEMP FEE

SB 235 (Allen) imposes fees relating to industrial hemp products to cover costs relating to regulatory oversight and to finance an industrial hemp research program.

Version Reviewed: Amended – 5/20/2021 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

SB 277 – FIREWORKS FEE

SB 277 (Archuleta) deletes the provision in existing law that allows the state fire marshal to impose a \$10 fee for examination and classification of all fireworks and pyrotechnic devices, and instead authorizes the fire marshal to determine the fee amount.

Version Reviewed: Amended – 5/20/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 310 – CANCER MEDICATION RECYCLING PROGRAM FEE

SB 310 (Rubio) creates a program for collecting and distributing unused cancer medications, and authorizes the Medical Board of California to charge a fee up to \$300 to issue or renew the registration certificate of a participating practitioner.

Version Reviewed: Amended – 8/30/2021 | **Vote Required:** Majority | **Status:** Chaptered – 10/5/2021

SB 378 – MICROTRENCHING PERMIT FEE

SB 378 (Gonzalez) authorizes a city or county to impose a fee on applicants for a permit for a broadband infrastructure development project in relation to microtrenching.

Version Reviewed: Amended – 6/29/2021 | **Vote Required:** Majority | **Status:** Chaptered – 10/8/2021

SB 398 – ADDITIONAL EXCISE TAX ON CANNABIS

SB 398 (Skinner) originally proposed an additional excise tax upon purchasers of cannabis or cannabis products sold in a local jurisdiction that entered into a cannabis licensing agreement. The tax, which would have been 6 percent of the average market price of any retail sale by a cannabis retailer, was removed from the bill April 12.

Version Reviewed: Amended – 4/12/2021 | **Vote Required:** Two-Thirds | **Status:** Levy Removed

SB 440 – EARTHQUAKE TAX

SB 440 (Dodd) imposes an additional assessment on assessable insurance policies if the California Earthquake Authority's funding sources are exhausted.

Version Reviewed: Introduced – 2/16/2021 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

SB 470 – FEE FOR COMBINED HUNTING AND FISHING LICENSE

SB 470 (Jones) creates a combined hunting and fishing license and charges a fee for the license.

Version Reviewed: Amended – 4/20/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 517 – FEE FOR SHIPPING BEER

SB 517 (McGuire) authorizes beer manufacturers to ship beer directly to residents of California who are 21 years of age or older, and imposes a fee for obtaining a permit to do so.

Version Reviewed: Amended – 3/10/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 611 – FILM TAX CREDIT

SB 611 (Allen) provides that if the California Film Commission determines a qualified motion picture that received an increase in its jobs ratio failed to achieve the excess pay required, the commission shall reduce the amount of the film credit by an equal percentage unless the taxpayer demonstrates reasonable cause for its jobs ratio reduction.

Version Reviewed: Amended – 5/11/21 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

SB 620 – FEE FOR SHIPPING BEER AND DISTILLED SPIRITS

SB 620 (Allen) authorizes beer manufacturers, distilled spirits manufacturers, and craft distillers to ship directly to residents of California who are 21 years of age or older, and imposes a fee for obtaining a permit to do so.

Version Reviewed: Amended – 3/11/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 670 – FEE ON IMMIGRATION CONSULTANTS

SB 670 (Caballero) requires the secretary of state to charge a reasonable filing fee to immigration consultants for submission of proof of completing continuing education requirements.

Version Reviewed: Amended – 5/28/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 679 – CREATES LOS ANGELES HOUSING AGENCY WITH TAXING AUTHORITY

SB 679 (Kamlager) creates the Los Angeles County Affordable Housing Solutions Agency to increase affordable housing, and originally authorized the agency to issue bonds and place taxes on Los Angeles County ballots. The provisions relating to bonds and taxes were removed from the bill April 19.

Version Reviewed: Amended – 4/19/2021 | **Vote Required:** Majority | **Status:** Levy Removed

SB 740 – EXTENDS PHONE SURCHARGE

SB 740 (Borgeas) extends the collection of a phone surcharge past the 2022 calendar year until \$330 million is collected in the California Advanced Services Fund.

Version Reviewed: Amended – 4/8/2021 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

SB 757 – TAX ON SOLAR ENERGY

SB 757 (Limón) originally proposed establishing a solar energy system tax on customers and using the revenue to assist consumers harmed by poor solar installations or fraud. The bill's tax provisions were removed April 12.

Version Reviewed: Amended – 4/12/2021 | **Vote Required:** Two-Thirds | **Status:** Levy Removed

SB 793 – ALCOHOL LICENSE FEE

SB 793 (Wiener) authorizes the Department of Alcoholic Beverage Control to issue a new form of alcohol license for “music venues,” as defined by the bill, and to charge a license fee to cover the costs of regulation.

Version Reviewed: Amended – 5/20/2021 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 801 – FEES FOR PROFESSIONAL LICENSING

SB 801 (Archuleta) makes various changes to the regulation of a number of licensed professions by the Board of Behavioral Sciences and the Board of Psychology, clarifies various license renewal fees, and establishes a “file transfer fee” of \$10.

Version Reviewed: Amended – 9/1/2021 | **Vote Required:** Majority | **Status:** Chaptered – 10/7/2021

SB 805 – FEE FOR PERFORMING ARTS PAYROLL SERVICES

SB 805 (Rubio) would have required the California Arts Council to establish and administer the California Nonprofit Performing Arts Paymaster program, which would provide payroll services to small nonprofit performing arts organizations. The program would have been authorized to charge a fee to an organization that receives the services.

Version Reviewed: Amended – 9/3/2021 | **Vote Required:** Majority | **Status:** Vetoed – 10/5/2021

SB 823 – FEE FOR BACKGROUND CHECKS

SB 823 (Senate Health Committee) removes the \$32 limit on the fee for a background check for a worker in an adult day health care center, and instead allows the Department of Justice to charge a fee that it determines is needed to cover the department's cost of conducting the background check.

Version Reviewed: Amended – 9/1/2021 | **Vote Required:** Majority | **Status:** Chaptered – 10/5/2021



METHODOLOGY

This report identifies higher taxes, fees, assessments, and charges lawmakers acted on during the first year of the 2021-22 session.

The California Tax Foundation identified 74 bills and constitutional amendments during this period that contain higher costs. The costs cannot yet be quantified for 43 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. For bills that did not receive a legislative fiscal analysis, the California Tax Foundation used revenue estimates from previous comparable proposals or available economic studies. 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.

The figures indicating the dollar amount of taxes and fees supported by individual lawmakers are based on votes for measures that included tax and fees at the time the vote was taken. Authors and coauthors of tax and fee bills are counted as supporters of their bills even if they did not have an opportunity to vote on the bills.

ABOUT THE CALIFORNIA TAX FOUNDATION

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