



TAX AND FEE REPORT

Major Taxes and Fees Introduced in the California Legislature

Vol. X, No. 2
June 6, 2023

\$196.3 BILLION

Since the Legislature returned December 5, 2022, for the first year of the 2023-24 session, lawmakers have considered increasing annual taxes and fees by more than \$196.3 billion.



INTRODUCTION

During the first five months of the 2023-24 session, California lawmakers considered more than \$196.3 billion in new taxes and fees, including a “wealth tax,” a government-run health care system that would require hundreds of billions of dollars in new taxes, a tax on oil company earnings, a corporate tax increase that would make California’s rate the highest in the nation, and numerous fee increases. This figure includes all tax and fee legislation introduced from the beginning of the session through May 19, 2023.

Governor Gavin Newsom’s May budget revision proposes total spending of \$306.4 billion in 2023-24 and projects an operating deficit – the shortfall projected if no changes are made to spending or revenue – of approximately \$31.5 billion. The deficit could increase the likelihood that lawmakers propose more taxes and fees to address.

An initiative is eligible for the November 2024 ballot that would require any tax submitted after January 1, 2022, to be subject to statewide voter approval, and if the tax is not submitted for voter approval, it will be void 12 months after the effective date of the initiative. These requirements will apply to any tax increase identified in this report if the initiative is approved by voters.

THE MOST EXPENSIVE BILLS



AB 1690 **GOVERNMENT-FUNDED HEALTH CARE** \$162.8 BILLION

AB 1690 expresses legislative intent to create a government-run single-payer health care program – a change estimated to require at least \$162.8 billion in tax increases.



AB 259/ACA 3 **WEALTH TAX** \$22.3 BILLION

AB 259/ACA 3 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.



SENATE LEADERSHIP'S CORPORATE TAX INCREASE \$7.2 BILLION

The “Senate Democrats’ Plan to Protect Our Progress” proposes tax changes that include a corporate tax rate increase estimated to cost taxpayers \$7.2 billion in 2023-24 and \$6 billion per year in subsequent years. Under the proposal, California would have the highest corporate tax rate in the nation.



SB 870 **EXTENDS MANAGED CARE ORGANIZATION TAX** \$2 BILLION

SB 870 would extend the collection of the Managed Care Organization (MCO) tax.

PROJECTED COST TO TAXPAYERS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Government-Funded Health Care – AB 1690 (Kalra)	\$162,800,000,000	②
Wealth Tax – AB 259/ACA 3 (Lee)	\$22,300,000,000	⌚/②
Corporate Tax Rate Increase (Senate Leadership Budget Plan)	\$7,200,000,000	⌚
Managed Care Organization Tax Extension – SB 870 (Caballero)	\$2,000,000,000	②
Vehicle Tax Increase – AB 540 (Wicks)	\$450,000,000	②
Underground Storage Tank Tax Increase – AB 1115 (Papan)	\$262,400,000	⌚
Lower Vote Threshold for Local Taxes – ACA 1 (Aguiar-Curry)	\$255,000,000	⌚
Vehicle Tax for R&D Funding of New Fuels – SB 84 (Gonzalez)	\$185,000,000	⌚
Vehicle Tax and Fee Extension – AB 241 (Reyes)	\$173,000,000	⌚
Excise Tax on Firearms and Ammunition – AB 28 (Gabriel)	\$159,300,000	⌚
Fees Imposed on Doctors and Surgeons – SB 815 (Roth)	\$153,500,000	⌚
Tax on Short-Term Rental Property – SB 584 (Limón)	\$150,000,000	⌚
Vehicle Tax – AB 1609 (Garcia)	\$140,000,000	②
Tax on Non-Grantor Trusts (Governor's January Budget Proposal)	\$30,000,000	⌚
Marriage License Tax – SB 489 (Wilk)	\$6,690,000	②
Fees on Alcohol and Drug Treatment Facilities – AB 1477 (Quirk-Silva)	\$3,500,000	②
Water Assessment in San Gabriel Valley – AB 279 (Blanca Rubio)	\$2,300,000	⌚
Weed Abatement Assessment – AB 402 (Aguiar-Curry)	\$1,750,000	⌚
Fees Imposed on Mobilehome Owners – AB 319 (Connolly)	\$1,500,000	⌚
Private Security Manager Fees – AB 1244 (Holden)	\$1,200,000	⌚
Driving School Fees – SB 473 (Allen)	\$1,000,000	②

Key

- ⌚ The bill or proposed constitutional amendment is pending in the Legislature.
- ② The bill is a two-year bill.

LEGISLATION WITH KNOWN COSTS



AB 28

EXCISE TAX ON FIREARMS AND AMMUNITION

\$159.3 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 5/18/2023

Status: Active

AB 28 (Gabriel) imposes an 11 percent excise tax on the gross receipts from the retail sale of firearms, firearm precursor parts, and ammunition. The revenue generated from the tax would be earmarked for gun violence prevention, education, and research programs.

Revenue Estimate: Assembly Revenue and Taxation Committee.



AB 241

VEHICLE TAX AND FEE EXTENSION

\$173 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 5/18/2023

Status: Active

AB 241 (Reyes) extends the collection of higher vehicle registration fees, vessel registration fees, service fees for identification plates, and smog abatement fees until January 1, 2035.

Revenue Estimate: Assembly Appropriations Committee.



AB 259/ACA 3

WEALTH TAX

\$22.3 BILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 1/19/2023

Status: Two-Year Bill/Active

AB 259 (Lee) imposes an annual “wealth tax” on Californians, as well as on former Californians for a period of time after they leave the state. For tax years 2024 and 2025, the tax would be imposed at a rate of 1.5 percent of a resident’s worldwide net worth in excess of \$1 billion, or in excess of \$500 million in the case of a married taxpayer filing separately. For tax years on or after January 1, 2026, the tax would be modified to cover additional taxpayers, at a rate of 1 percent of a resident’s worldwide net worth in excess of \$50 million, or \$25 million for a married taxpayer filing separately. The 1.5 percent rate would remain in place for those with assets above these thresholds. Net worth would be calculated every year based on the known or estimated values of assets as of December 31. The tax would apply to art, collectibles, real property, pension funds, financial assets held offshore, farm assets, mutual funds, index funds, and stocks, among other things. The legislation authorizes penalties for understating net worth. **ACA 3** is a proposed constitutional amendment that would need voter approval in a statewide election for the tax to take effect.

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



AB 279

WATER ASSESSMENT IN SAN GABRIEL VALLEY

\$2.3 MILLION

Vote Required: Majority

Version Reviewed: Amended – 2/8/2023

Status: Active

AB 346 (Blanca Rubio) doubles the allowable assessment on water in the San Gabriel Valley. Increases the maximum allowable assessment (currently \$10 per acre-foot) to \$20 per acre-foot.

Revenue Estimate: California Tax Foundation. This estimate was calculated by doubling the current revenue from the assessment, reported as being \$2.3 Million by the Assembly Environmental Safety and Toxic Materials Committee.



AB 319

FEES IMPOSED ON MOBILEHOME OWNERS

\$1.5 MILLION

Vote Required: Majority

Version Reviewed: Amended – 5/18/2023

Status: Active

AB 319 (Connolly) extends through January 1, 2025, the collection of fees for the inspection of mobilehome parks and mobilehome construction, plumbing, mechanical, and electrical permits.

Revenue Estimate: Senate Floor analysis of SB 46 (2018).



AB 402

WEED ABATEMENT ASSESSMENT

\$1.75 MILLION – \$3 MILLION

Vote Required: Majority

Version Reviewed: Amended – 5/18/2023

Status: Active

AB 402 (Aguilar-Curry) establishes the Broomrape Control Board and requires the board to establish an assessment to be paid by producers and handlers of commercial tomatoes for weed abatement.

Revenue Estimate: Assembly Appropriations Committee. For the purposes of this report, we used the \$1.75 million figure to calculate the total amount of taxes and fees proposed.



AB 540

INCREASES ANNUAL VEHICLE TAX

\$450 MILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 2/8/2023

Status: Two-Year Bill

AB 540 (Wicks) increases the "transportation improvement fee" by \$10. The annual tax on vehicles, at rates ranging from \$25 to \$175, depending on the market value of the vehicle.

Revenue Estimate: California Tax Foundation. This estimate was calculated by using the revenue estimate published in the 2023-24 Governor's Budget Statement of Revenues, and calculating the percentage increase of the fees to determine the increase in the fee's revenue.



AB 1115

UNDERGROUND STORAGE TANK TAX INCREASE

\$310 MILLION

Vote Required: Two-Thirds
Version Reviewed: Introduced – 2/15/2023
Status: Active

AB 1115 (Papan) extends through January 1, 2036, the imposition of “storage fees” on each gallon of petroleum placed in an underground storage tank.

Revenue Estimate: Assembly Appropriations Committee.



AB 1244

PRIVATE SECURITY MANAGER FEES

\$1.2 MILLION

Vote Required: Majority
Version Reviewed: Amended – 4/4/2023
Status: Active

AB 1244 (Holden) establishes requirements for renewing a certificate for private security managers and establishes application, examination, renewal, and delinquency fees for a qualified manager certificate.

Revenue Estimate: Assembly Appropriations Committee.



AB 1477

FEES ON ALCOHOL AND DRUG TREATMENT FACILITIES

\$3.5 MILLION

Vote Required: Majority
Version Reviewed: Amended – 3/27/2023
Status: Two-Year Bill

AB 1477 (Quirk-Silva) requires fees imposed on alcohol and drug treatment facilities to increase annually beginning January 1, 2031, until licensing and certification programs are self-sufficient.

Revenue Estimate: Assembly Appropriations Committee.



AB 1609

VEHICLE TAX

\$140 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 4/17/2023

Status: Two-Year Bill

AB 1609 (Garcia) imposes a \$4 tax on each vehicle registered in California, except vehicles exempt from paying registration fees, with revenue earmarked to support the activities of local air pollution districts (up to 6.25 percent of the revenue could be used by the districts for administrative costs).

Revenue Estimate: Assembly Appropriations Committee.



AB 1690

GOVERNMENT-FUNDED HEALTH CARE

\$162.8 BILLION

Vote Required: Majority

Version Reviewed: Introduced – 2/17/2023

Status: Two-Year Bill

AB 1690 (Kalra) expresses legislative intent to create a government-run single-payer health care program. During the prior legislative session, the same author introduced this bill with a companion measure that proposed tax increases totaling an estimated \$162.8 billion through the imposition of a gross receipts tax, payroll taxes on employers and employees, and a personal income tax increase. A government-run health care system would cost more than \$400 billion annually, according to estimates for legislation proposed several years ago – some of which would be paid by the federal government and some from existing state funds that would be redirected from current health care programs. Health care costs have increased significantly since this estimate was prepared, so the total cost would be much higher – and far higher than the tax increases proposed in the 2022 legislation.

Revenue Estimate: California Tax Foundation.



ACA 1

LOWER VOTE THRESHOLD FOR LOCAL TAXES

\$255 MILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 12/5/2022

Status: Active

ACA 1 (Aguiar-Curry) lowers the vote threshold for sales, transactions and use, and parcel taxes to 55 percent if those taxes finance affordable housing and public infrastructure. The proposal additionally allows the ad valorem tax rate to exceed 1 percent of the full cash value of the property if the ad valorem tax is to service bond indebtedness incurred to fund public infrastructure, affordable housing or permanent supportive housing and is approved by at least 55 percent of the electors.

Revenue Estimate: California Tax Foundation. This estimate was calculated using the California Taxpayers Association's local tax table, which estimates the total amount of revenue local governments collect through taxes.

**SB 84****VEHICLE TAX FOR R&D FUNDING OF NEW FUELS****\$185 MILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 5/18/2023**Status:** Active

SB 84 (Gonzalez) extends by 11 years the collection of increased vehicle-related taxes, including registration fees, service fees for identification plates, and smog abatement fees, with the new sunset date of January 1, 2035, to fund the development of technologies that “transform California’s fuel and vehicle types.”

Revenue Estimate: Senate Transportation Committee.

**SB 473****DRIVING SCHOOL FEES****\$1 MILLION****Vote Required:** Majority**Version Reviewed:** Introduced – 2/13/2023**Status:** Two-Year Bill

SB 473 (Allen) requires the Department of Motor Vehicles to charge a fee, not to exceed \$1, for each driver education or driver training certificate issued to an individual.

Revenue Estimate: Senate Appropriations Committee.

**SB 489****MARRIAGE LICENSE TAX****\$6.69 MILLION****Vote Required:** Majority**Version Reviewed:** Amended – 4/12/2023**Status:** Two-Year Bill

SB 489 (Wilk) authorizes city officials to issue marriage licenses and requires officials to collect a \$23 tax for the support of the county domestic violence shelter-based programs.

Revenue Estimate: California Tax Foundation.

**SB 584****TAX ON SHORT-TERM RENTAL PROPERTY****\$150 MILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 5/18/2023**Status:** Active

SB 584 (Limón) imposes a 15 percent tax on the rental price of a “short-term rental” – defined as a home, house, or a room in a house occupied for less than 30 days – collected by the online platform that facilitates the rental.

Revenue Estimate: Senate Floor Analysis.

**SB 815****FEEs IMPOSED ON DOCTORS AND SURGEONS****\$153.5 MILLION****Vote Required:** Majority**Version Reviewed:** Amended – 5/8/2023**Status:** Active

SB 815 (Roth) establishes an initial licensing fee of \$1,350 for physicians and surgeons and a \$1,350 biennial renewal fee.

Revenue Estimate: California Tax Foundation and analysis of data from the Association of American Medical Colleges.

**SB 870****EXTENDS MANAGED CARE ORGANIZATION TAX****\$2 BILLION****Vote Required:** Two-Thirds**Version Reviewed:** Amended – 4/17/2023**Status:** Two-Year Bill

SB 870 (Caballero) extends the Managed Care Organization (MCO) tax until an unspecified date. The MCO tax is imposed on managed care plans’ enrollment levels, and the revenue is used to offset the general fund spending on Medi-Cal. The governor has a similar proposal, initially outlined in the January budget proposal, that may be included in the 2023-24 state budget.

Revenue Estimate: “The 2023-24 Budget: Analysis of the Medi-Cal Budget,” February 10, 2023, Legislative Analyst’s Office.



SENATE LEADERSHIP'S CORPORATE TAX RATE INCREASE

\$7.2 BILLION

Vote Required: Pending

Version Reviewed: Pending

Status: Pending

Senate Leader Toni Atkins and Senate Budget Chair Nancy Skinner introduced the “Senate Democrats’ Plan to Protect Our Progress,” unveiled in April, proposing tax changes that include a corporate tax rate increase estimated to cost taxpayers \$7.2 billion in 2023-24 and \$6 billion per year in subsequent years. Under the proposal, California would have the highest corporate tax rate in the nation. As we went to press to publish this report, this proposal was introduced as SB 220 by the Senate Budget and Fiscal Review Committee. The next issue of this report will include this change.

Revenue Estimate: “Protect our Progress” Senate Democrats’ Budget Plan released by Senator Skinner and Senate Pro Tem Atkins.



TAX ON NON-GRANTOR TRUSTS BUDGET PROPOSAL

\$30 MILLION

Vote Required: Pending

Version Reviewed: Pending

Status: Pending

The Governor’s May Revise proposed a \$30 million tax increase by subjecting incomplete non-grantor trusts to the California income tax.

Revenue Estimate: Governor Newsom’s May Revision of the State Budget.

LEGISLATION WITH UNKNOWN COSTS

AB 39 – CRYPTOCURRENCY FEE

AB 39 (Grayson) prohibits Californians from engaging in digital financial asset business activities unless they are licensed with the Department of Financial Protection and Innovation, imposes an unspecified licensing fee, and requires individuals licensed by the department to keep specified records of financial transactions.

Version Reviewed: Amended – 5/18/2023 | **Vote Required:** Majority | **Status:** Active

AB 41 – FEES IMPOSED ON INTERNET AND CABLE OPERATORS

AB 41 (Holden) modifies existing law that establishes a state franchise fee, based on the gross revenue of a company, for cable service or open-video system service, and revises the definition of gross revenue used in calculating a franchise fee on internet and cable operators to increase the charge by removing several exclusions.

Version Reviewed: Amended – 5/18/2023 | **Vote Required:** Majority | **Status:** Active

AB 239 – ASSESSMENT ON AVOCADO OIL PRODUCERS

AB 239 (Wilson) would have established the Avocado Oil Commission of California with a prescribed board of directors and authorized the commission to levy an unspecified annual assessment on avocado oil producers.

Version Reviewed: Amended – 3/8/2023 | **Vote Required:** Majority | **Status:** Levy Removed

AB 240 – ADDITIONAL TAX ON PET FOOD SALES

AB 240 (Kalra) authorizes a tax on pet food manufacturers, at a rate of \$200 for each label that would be attached to the dog or cat food container submitted by the manufacturer to the Department of Public Health, and requires a manufacturer of dog and cat food that has less than \$75,000 in gross annual sales to pay a single \$200 tax to the Department of Food and Agriculture. The bill also establishes the California Spray-Neuter Fund and authorizes the Department of Food and Agriculture to offer competitive grants to animal shelters that provide spaying and neutering services.

Version Reviewed: Amended – 2/28/2023 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

AB 252 – FEES AND FINES FOR VIOLATING STUDENT ATHLETE REQUIREMENTS

AB 252 (Holden) establishes the College Athlete Protection Act to provide various protections and benefits to collegiate athletes and authorizes a subpanel to assess unspecified certification fees, renewal fees, fines, and penalties for entities required to comply with the program.

Version Reviewed: Amended – 5/18/2023 | **Vote Required:** Majority | **Status:** Active

AB 307 – EXTENDS FUMIGATION FEE

AB 307 (Chen) extends a program (until January 1, 2029) that requires a company performing a structural fumigation in Los Angeles, Orange, or Santa Clara counties to pay an unspecified fee to the agricultural commissioner.

Version Reviewed: Introduced – 1/26/2023 | **Vote Required:** Majority | **Status:** Active

AB 534 – AIRPORT RENTAL COMPANY FEE

AB 534 (McCarty) indefinitely extends a program that allows airports to collect a "customer facility charge," defined as a fee or alternative fee levied on customers of airport vehicle rental facilities.

Version Reviewed: Amended – 3/16/2023 | **Vote Required:** Majority | **Status:** Active

AB 568 – FEE FOR ENHANCED DRIVER'S LICENSE

AB 568 (Ta) authorizes the Department of Motor Vehicles to issue or renew "enhanced driver's licenses," defined as licenses that are "enhanced in process, technology, and security to denote identity and citizenship," and set an application fee up to \$55.

Version Reviewed: Introduced – 2/8/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 592 – NONFRANCHISE WASTE HAULING FEES

AB 592 (Wilson) authorizes any county to adopt an ordinance to regulate the transport of solid waste by nonfranchise haulers on public roads in unincorporated areas of the county, and to impose a fee to cover reasonable regulatory costs.

Version Reviewed: Amended – 4/18/2023 | **Vote Required:** Majority | **Status:** Active

AB 656 – FEES IMPOSED ON DOCTORAL STUDENTS

AB 656 (McCarty) authorizes California State University colleges to offer doctoral programs and establish fees for these programs comparable to doctoral programs offered by the University of California system.

Version Reviewed: Amended – 3/16/2023 | **Vote Required:** Majority | **Status:** Active

AB 657 – CANDY TAX

AB 657 (Jackson) imposes a candy tax at the rate of \$0.05 "for each untaxed candy distributed" in California. Voters prohibited the taxation of candy, confectionary, snack foods and bottled water with passage of Proposition 163 of 1992 – if that initiative were repealed it would cost taxpayers an additional \$803 million annually.

Version Reviewed: Amended – 3/23/2023 | **Vote Required:** Two-Thirds | **Status:** Two-Year Bill

AB 743 – FEES FOR AUTHORIZATION TO PERFORM ONLINE NOTARIZATIONS

AB 743 (Petrie-Norris) authorizes a notary public to apply for registration with the state to perform online notarizations and authorizes the Secretary of State's Office to charge applicants an unspecified fee to cover the office's costs of administering the program.

Version Reviewed: Amended – 4/19/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 796 – FEES IMPOSED ON ATHLETIC TRAINERS

AB 796 (Weber) prohibits a person from working as an athletic trainer without being licensed by the California Board of Athletic Training. The board would be authorized to establish licensing and renewal fees.

Version Reviewed: Introduced – 2/13/2023 | **Vote Required:** Majority | **Status:** Active

AB 886 – LINK TAX ON INTERNET PLATFORMS

AB 886 (Wicks) requires internet platforms with 50 million or more monthly users or with annual revenue exceeding \$550 billion to pay a tax (described as a "journalism usage fee") to digital journalism providers. The tax would be equal to a percentage established in government-mandated arbitration between journalism providers and media platforms.

Version Reviewed: Amended – 4/27/2023 | **Vote Required:** Majority | **Status:** Active

AB 1008 – JOSHUA TREE TAX

AB 1008 (Bauer-Kahan) establishes a conservancy program for Joshua trees and establishes a tax imposed on residents intending to purchase a Joshua tree.

Version Reviewed: Amended – 4/13/2023 | **Vote Required:** Majority | **Status:** Active

AB 1055 – FEES IMPOSED ON ALCOHOL AND DRUG COUNSELORS

AB 1055 (Bains) requires the newly established Allied Behavioral Health Board to charge a licensing fee to alcohol and drug counselors.

Version Reviewed: Amended – 3/13/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 1133 – FEE TO OBTAIN A CONCEALED FIREARMS LICENSE

AB 1133 (Schiavo) requires the Department of Justice to establish a standardized test to receive a concealed firearm license and authorizes the department to charge a fee for taking the test.

Version Reviewed: Amended – 4/13/2023 | **Vote Required:** Majority | **Status:** Active

AB 1136 – TAX ON TICKETS TO MMA EVENTS

AB 1136 (Haney) requires the State Athletic Commission to establish the Mixed Martial Arts Pension Fund and authorizes the commission to establish financing measures for the fund that may include, but would not be limited to, a tax on tickets to events under the commission’s jurisdiction, revenue generated from the sale of special license plates and “other commission-branded items, including, but not limited to sport paraphernalia and souvenirs,” and “contributions from mixed martial artists, managers, promoters, or any one or more of these persons.”

Version Reviewed: Amended – 5/11/2023 | **Vote Required:** Two-Thirds | **Status:** Active

AB 1256 – HUMBOLDT COUNTY SALES TAX INCREASE

AB 1256 (Wood) authorizes the Humboldt County Board of Supervisors to propose a transactions and use tax to support countywide transportation programs to voters in excess of the combined 2 percent cap on transactions and use taxes.

Version Reviewed: Amended – 3/23/2023 | **Vote Required:** Majority | **Status:** Active

AB 1304 – COUNTY FEES FOR WEIGHTS, MEASURES, AND METERS

AB 1304 (Papan) increases the maximum fees for various measuring instruments, including: water submeters (to \$6), vapor submeters (to \$10), computing scales (to \$25), and all other commercial weighing devices (to \$26), and increases the annual registration fee for commercial weight devices to \$1,200 for each business location.

Version Reviewed: Amended – 4/17/2023 | **Vote Required:** Majority | **Status:** Active

AB 1328 – FEES IMPOSED ON MULTISTATE COSMETOLOGISTS

AB 1328 (Gipson) authorizes the State Board of Barbering and Cosmetology to charge a fee for multistate cosmetology licenses and impose fees on licensees in member states, and additionally establishes the Cosmetology Licensure Compact to facilitate interstate regulation of cosmetologists.

Version Reviewed: Amended – 3/23/2023 | **Vote Required:** Majority | **Status:** Active

AB 1332 – FEES FOR ACCESSORY DWELLING UNITS

AB 1332 (Carrillo) develops a preapproval program for accessory dwelling unit plans and authorizes local agencies to charge a fee to an applicant for preapproval.

Version Reviewed: Amended – 4/10/2023 | **Vote Required:** Majority | **Status:** Active

AB 1385 – RIVERSIDE COUNTY SALES TAX INCREASE

AB 1385 (Garcia) raises the maximum transactions and use tax rate the Riverside County Transportation Commission may charge from 1 percent to 1.5 percent.

Version Reviewed: Amended – 3/23/2023 | **Vote Required:** Majority | **Status:** Active

AB 1403 – PERMIT FEE TO SELL FIREWORKS

AB 1403 (Garcia) authorizes local jurisdictions to establish an unspecified permit fee for the sale of safe fireworks.

Version Reviewed: Amended – 4/6/2023 | **Vote Required:** Majority | **Status:** Active

AB 1570 – LICENSING FEES IMPOSED ON SPECIFIED OPTOMETRISTS

AB 1570 (Low) requires the State Board of Optometry to establish a fee for the issuance and renewal of a certificate for optometrists who perform advanced procedures to treat glaucoma.

Version Reviewed: Introduced – 2/17/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

AB 1743 – PORT FEES

AB 1743 (Bennett) authorizes the California Air Resources Board to impose an application fee for any project relating to reducing emissions from cargo-handling equipment and seaports under the Lower Emissions Transition Program, and authorizes competitive grants to be awarded to projects.

Version Reviewed: Amended – 4/27/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 2 – ADDITIONAL FEES FOR FIREARMS

SB 2 (Portantino) authorizes firearm licensing authorities to charge an additional unspecified processing fee for a concealed carry license renewal, and implements additional regulations for firearm licensing authorities to adhere to.

Version Reviewed: Amended – 3/1/2023 | **Vote Required:** Majority | **Status:** Active

SB 40 – ANNUAL LICENSE FEE ON ATTORNEYS

SB 40 (Umberg) requires lawyers to pay an annual license fee of an unspecified amount for active licensees for 2024.

Version Reviewed: Amended – 3/21/2023 | **Vote Required:** Majority | **Status:** Active

SB 76 – FEE ON CATERING PERMITS

SB 76 (Wiener) imposes a fee for a catering permit for a licensee under a music venue license, and for an event permit for a licensee under a music venue license.

Version Reviewed: Introduced – 1/11/2023 | **Vote Required:** Majority | **Status:** Active

SB 353 – FEES FOR RECYCLING FRUIT JUICE CONTAINERS

SB 353 (Dodd) expands the recycling fee – referred to as a “redemption payment” that each beverage distributor is required to pay for every beverage container sold in the state – to include any container of 100 percent fruit juice. The California Department of Resources Recycling and Recovery would be responsible for adjusting the processing payment levied on manufacturers quarterly based on the three-month value, and, beginning January 1, 2025, deposit the revenue from the fee into a continuously appropriated fund.

Version Reviewed: Amended – 3/30/2023 | **Vote Required:** Two-Thirds | **Status:** Active

SB 362 – FEES IMPOSED ON BUSINESSES COLLECTING DATA

SB 362 (Becker) requires a data broker to register with the attorney general and pay a registration fee; authorizes the California Privacy Protection Agency to charge a fee to data brokers for accessing a state-run deletion mechanism that allows consumers to erase collected data; and requires a data broker to delete all personal data relating to a consumer every 31 days after a deletion request is submitted.

Version Reviewed: Amended – 5/18/2023 | **Vote Required:** Majority | **Status:** Active

SB 374 – INCREASED FEES FOR SPECIAL LICENSE PLATES

SB 374 (Ashby) increases the registration renewal fee for specialized license plates from \$35 to \$40.

Version Reviewed: Introduced – 2/9/2023 | **Vote Required:** Majority | **Status:** Active

SB 384 – FEES FOR REMEDIAL COSMETOLOGY COURSES

SB 384 (Bradford) requires the State Board of Barbering and Cosmetology to establish a remedial education program for violators of health and safety rules and authorizes the board to impose a fee for administering the program.

Version Reviewed: Amended – 3/20/2023 | **Vote Required:** Majority | **Status:** Active

SB 440 – AUTHORIZES LOCAL GOVERNMENTS TO FORM HOUSING AGENCIES WITH TAXING AUTHORITY

SB 440 (Skinner) authorizes a regional housing authority to impose a parcel tax, gross receipts tax, special business tax, and/or documentary transfer tax, as well as issue general obligation bonds and impose commercial linkage fees, if approved by voters, for the purposes of increasing the supply of affordable housing.

Version Reviewed: Amended – 5/18/2023 | **Vote Required:** Majority | **Status:** Active

SB 495 – ALCOHOL DELIVERY LICENSING FEE

SB 495 (Dodd) establishes a new type of license for an alcohol consumer delivery service permit and sets an application fee of \$20,000 and an annual renewal fee of \$1,500.

Version Reviewed: Introduced – 5/18/2023 | **Vote Required:** Majority | **Status:** Active

SB 500 – TAXES ON AQUACULTURE FACILITIES

SB 500 (McGuire) extends by two years a temporary increase in various fees, surcharges, and penalties levied on aquaculture facilities.

Version Reviewed: Amended – 4/27/2023 | **Vote Required:** Majority | **Status:** Active

SB 564 – INCREASED FEES RELATING TO LAW ENFORCEMENT

SB 564 (Laird) increases various fees that are collected by sheriffs and marshals, including increased fees for opening safe-deposit boxes, processing warrants and summons, and delivering deeds of sale.

Version Reviewed: Amended – 3/20/2023 | **Vote Required:** Majority | **Status:** Active

SB 608 – INCREASED FEES FOR SPECIAL LICENSE PLATES

SB 608 (Becker) increases the fees associated with the “Have a Heart, Be a Star, Help Our Kids,” license plate to \$90 for the initial issuance and \$80 for registration renewal.

Version Reviewed: Introduced – 2/15/2023 | **Vote Required:** Majority | **Status:** Two-Year Bill

SB 676 – LOCAL TAX ON CHLORINE

SB 676 (Allen) would have authorized a county to levy a tax by ordinance – with approval from a majority of voters – on trichlor, a chemical used to clean pools, at a rate of 30 cents per tablet.

Version Reviewed: Amended – 4/18/2023 | **Vote Required:** Majority | **Status:** Levy Removed

SB 696 – FEES IMPOSED ON NOTARIES

SB 696 (Portantino) authorizes the secretary of state to charge an application fee for a notary public to apply for registration to conduct online notarizations.

Version Reviewed: Amended – 5/2/2023 | **Vote Required:** Majority | **Status:** Active

SB 701 – FEES FOR FRUIT AND VEGETABLE WHOLESALERS

SB 701 (Hurtado) authorizes the board of supervisors of a county to establish a fee schedule for fruit and vegetable wholesalers, with a maximum registration fee of \$500.

Version Reviewed: Amended – 3/21/2023 | **Vote Required:** Majority | **Status:** Active

SB 707 – FEES FOR TEXTILE RECYCLING

SB 707 (Newman) requires textile manufacturers to pay fees to the Department of Resources Recycling and Recovery for the costs of administering a stewardship program for the recycling of specified textiles.

Version Reviewed: Amended – 4/11/2023 | **Vote Required:** Majority | **Status:** Active

SB 708 – FEES FOR OFFROAD VEHICLES

SB 708 (Jones) requires the Department of Motor Vehicles to establish a special permit for the operation of certain off-road vehicles and charge operators an unspecified fee for the permit.

Version Reviewed: Amended – 3/29/2023 | **Vote Required:** Majority | **Status:** Active

SB 778 – FEES FOR SUBSURFACE INSTALLATIONS

SB 778 (Ochoa Bogh) revises the definition of “subsurface installation” to include non-pressurized sewer lines, non-pressurized storm drains, and other non-pressurized drain lines, and authorizes local agencies to charge fees associated with subsurface installations.

Version Reviewed: Amended – 5/1/2023 | **Vote Required:** Majority | **Status:** Active

SB 816 – FEES IMPOSED ON INTERIOR DESIGNERS AND PSYCHIATRIC TECHNICIANS

SB 816 (Roth) establishes the California Council for Interior Design Certification and provides the council with the authority to establish application fees, renewal fees, and other fees relating to the certification of interior designers. The bill additionally authorizes the Board of Vocational Nursing and Psychiatric Technicians to approve reductions in “continuing approval fees” for psychiatric technicians.

Version Reviewed: Amended – 4/20/2023 | **Vote Required:** Majority | **Status:** Active

SB X1-2 – TAX ON OIL COMPANIES

SB X1-2 (Skinner) requires the California Energy Commission to establish a tax-like penalty, at an as-yet-unspecified rate, on oil company earnings above a threshold through a public rulemaking process and establish the Division of Petroleum Market Oversight.

Version Reviewed: Amended – 3/20/2023 | **Vote Required:** Majority | **Status:** Chaptered – 3/28/2023



METHODOLOGY

This report identifies higher taxes, fees, assessments, and charges acted on or pending in the Legislature from the beginning of the 2023 session through May 19, 2023.

The California Tax Foundation identified 68 proposals during this period that contain higher costs. The costs cannot yet be quantified for 46 of the proposals.

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, authorizes, or states the intent to impose or authorize 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 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 counted only once for purposes of calculating the cumulative revenue total for this report.

ABOUT THE CALIFORNIA TAX FOUNDATION

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