

DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE

NEWS RELEASE

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Secretary of State Debra Bowen Certifies Seventh Measure for November 2 General Election Ballot

SACRAMENTO – Secretary of State Debra Bowen today certified a seventh measure for the November 2, 2010, General Election ballot. The initiative would repeal recent legislation that would allow businesses to carry back losses, share tax credits and use a sales-based income calculation to lower taxable income.

The first measure to qualify was placed on the ballot by the Legislature with the passage of SBx7 2 (Chapter 3, Statutes of 2009, Seventh Extraordinary Session), related to the state water supply. The other five measures qualified through the initiative process: one measure aims to legalize, regulate and tax marijuana; another measure would place the redistricting of congressional districts under the authority of the new 14-member state redistricting commission; another measure would establish an \$18 vehicle license surcharge to help fund state parks and wildlife programs; another measure would prohibit the state from taking funds used for transportation or local government projects and services; and another measure would suspend some air pollution control laws until unemployment drops below a specified level for a full year.

In order to qualify for the ballot, this initiative needed 433,971 valid petition signatures, which is equal to five percent of the total votes cast for governor in the November 2006 General Election.

An initiative can qualify via random sampling, without further verification, if the sampling projects a number of valid signatures greater than 110 percent of the required number. This initiative needed at least 477,369 projected valid signatures to qualify by random sampling, and it exceeded that threshold today.

County elections officials have 30 working days to verify the validity of the signatures filed with their offices using a random sampling method. In random sampling, the state Elections Code requires county elections officials to verify 500 signatures, or three percent of the number of signatures filed in their county, whichever is greater. A county elections office receiving fewer than 500 petition signatures must verify all the signatures.

The Attorney General's official title and summary of the initiative is as follows:

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REPEALS RECENT LEGISLATION THAT WOULD ALLOW BUSINESSES TO CARRY BACK LOSSES, SHARE TAX CREDITS, AND USE A SALES-BASED INCOME CALCULATION TO LOWER TAXABLE INCOME. INITIATIVE STATUTE. Repeals recent legislation that would allow businesses to shift operating losses to prior tax years and that would extend the period permitted to shift operating losses to future tax years. Repeals recent legislation that would allow corporations to share tax credits with affiliated corporations. Repeals recent legislation that would allow multistate businesses to use a sales-based income calculation, rather than a combination property-, payroll- and sales-based income calculation. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Annual state revenue increase from business taxes of about \$1.7 billion when fully phased in, beginning in 2011-12. (09-0058.)

The proponents of this initiative are Robin Johansen and Karen Getman. The proponents can be reached at (510) 346-6200.

For more information about how an initiative qualifies for the ballot in California, go to www.sos.ca.gov/elections/initiative_guide.htm.

To sign up for regular ballot measure updates via email, RSS feed or Twitter, go to www.sos.ca.gov/multimedia.

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