

# DEBRA BOWEN

## CALIFORNIA SECRETARY OF STATE NEWS RELEASE

DB12:037

FOR IMMEDIATE RELEASE  
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### Tax Initiative Enters Circulation

*Tax for Education and Early Childhood Programs. Initiative Statute.*

**SACRAMENTO** – Secretary of State Debra Bowen today announced that the proponents of a new initiative may begin collecting petition signatures for their measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponents and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponents and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for the measure is as follows:

**TAX FOR EDUCATION AND EARLY CHILDHOOD PROGRAMS. INITIATIVE STATUTE.** Increases personal income tax rates for annual earnings over \$7,316 using sliding scale from .4% for lowest individual earners to 2.2% for individuals earning over \$2.5 million, ending after twelve years. During first four years, 60% of revenues go to K-12 schools, 30% to repaying state debt, and 10% to early childhood programs. Thereafter, allocates 85% of revenues to K-12 schools, 15% to early childhood programs. Provides K-12 funds on schoolspecific, per-pupil basis, subject to local control, audits, and public input. Prohibits state from directing or using new funds. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Increased state personal income tax revenues beginning in 2013 and ending in 2024.** Estimates of the revenue increases vary from \$10 billion to \$11 billion per fiscal year beginning in 2013-14, tending to increase over time. The 2012-13 revenue increase would be about half this amount. Until the end of 2016-17, 60 percent of revenues would be dedicated to K-12 education and 10 percent would be provided to early care and education programs. These allocations would supplement existing funding for these programs. In 2017-18 and subsequent years, 85 percent would be provided to K-12 education and 15 percent to early care and education. General Fund savings on debt-service costs of about \$1.5 billion in 2012-13 and \$3 billion in 2013-14, with savings tending to grow thereafter until the end of 2016-17. In 2015-16 and subsequent years with stronger growth in state personal income tax revenues, some of the revenues raised by this measure—several hundred million dollars per year—would be used for debt-service costs, resulting in state savings. (11-0100)

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The Secretary of State's tracking number for this measure is 1574 and the Attorney General's tracking number is 11-0100.

The proponents for this measure, Molly Munger, Roberta B. Johansen and James C. Harrison, must collect signatures of 504,760 registered voters – the number equal to five percent of the total votes cast for governor in the 2010 gubernatorial election – in order to qualify it for the ballot. The proponents have 150 days to circulate petitions for this measure, meaning the signatures must be collected by July 16, 2012.

The initiative proponents can be reached at (510) 346-6200.

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