



# NEWS RELEASE

CALIFORNIA SECRETARY OF STATE **BRUCE McPHERSON**

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## **Two Proposed Initiatives Enter Circulation**

*A total of 41 initiatives are currently in circulation for signatures*

SACRAMENTO --- Secretary of State Bruce McPherson announced today that the proponents of two new initiatives may begin collecting petition signatures.

The Attorney General's official titles and summaries are as follows:

### **WEALTH TAX. TAX RATES AND CREDITS. INITIATIVE STATUTE.**

Imposes one-time 46% tax on persons with property worth more than \$40 million as of January 1, 2006, and who were California residents for at least five years as of July 1, 2005. Adds 6% to income tax for high-income taxpayers. Reduces corporate income tax rate by more than half. Eliminates alternative minimum tax, gift tax, and certain tax credits, such as for teach pay, public college tuition and health insurance costs.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: One-time increase in state revenues potentially exceeding \$100 billion from imposition of a wealth tax. A portion of this revenue would be required to be allocated to schools with the remainder used for other state spending or tax rebates. Ongoing revenue loss potentially in excess of \$10 billion annually.

The Secretary of State's tracking number for this measure is 1149 and the Attorney General's tracking number is SA2005RF0086.

The proponent, Paul McCauley, must collect 373,816 signatures of registered voters, equal to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the measure. The 150-day deadline to circulate petitions for this measure is January 3, 2006. The initiative proponent can be reached at 818-788-5919.

### **ALCOHOL BEVERAGE SURTAX. SEX CRIME PENALTIES. VICTIM ASSISTANCE. INITIATIVE STATUTE.**

Imposes 25 cent surtax on each alcoholic beverage serving or container. Directs proceeds into trust fund administered by the Attorney General to support sex crime victims, law enforcement training, program administration and grants for local law enforcement, prosecutors and child social services. Increases penalties for specified sex crimes to 50 years in prison without possibility of parole where the victim is a minor and 25 years in prison without possibility of parole where the victim is an adult female. Requires individualized bail determinations for certain crimes.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Increased state revenues from a new alcoholic beverage tax of approximately \$2 billion annually, and comparatively modest other state and local revenue effects. Increased prison costs by mid-century of about \$1.5 billion annually for state operations and about \$3 billion for capital outlay. Increased tax administration costs potentially ranging up to several million dollars annually.

The Secretary of State's tracking number for this measure is 1150 and the Attorney General's tracking number is SA2005RF0087.

The proponent, Mervin Evans, must collect 373,816 signatures of registered voters, equal to five percent of the total votes cast for governor in the 2002 gubernatorial election, in order to qualify the measure. The 150-day deadline to circulate petitions for this measure is January 5, 2006. The initiative proponent can be reached at 323-419-6294.