

# DEBRA BOWEN

## CALIFORNIA SECRETARY OF STATE NEWS RELEASE

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### Proposed Initiative Enters Circulation

*Wealth Tax. Initiative Constitutional Amendment and Statute.*

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

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

**WEALTH TAX. INITIATIVE CONSTITUTIONAL AMENDMENT AND STATUTE.** Imposes one-time 45% tax on value of property exceeding \$40 million held anywhere by California resident or held in California by non-resident. Imposes one-time tax (between 26.5% and 44.3%) on property exceeding \$5 million when resident dies or leaves California. Imposes additional 17.5% tax on income exceeding \$150,000 single/\$250,000 married, increasing to 35% when income exceeds \$1 million single/\$2 million married. Creates new tax credits. Requires State to acquire majority shares of certain named corporations to influence environmental practices. Exempts new revenues from determination of education funding requirements. 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 in the low hundreds of billions of dollars from imposition of a wealth tax, and ongoing increase in state revenues potentially in the low tens of billion from imposition of the tax on certain people leaving the state. This revenue would be allocated to accomplish various goals related to environmental protection. Potential annual net increase in PIT revenues in the tens of billions of dollars annually. The first \$7.5 billion annually would be allocated to the state General Fund with additional revenue allocated for environmental protection. Unknown but potentially major state and local revenue reductions due to changes in taxpayer behavior. (07-0001.)

The Secretary of State's tracking number for this measure is 1237 and the Attorney General's tracking number is 07-0001.

The proponent for this measure, Paul McCauley, must collect the signatures of 694,354 registered voters – the number equal to 8% of the total votes cast for governor in the 2006 gubernatorial election – in order to qualify the measure for the ballot. The proponent has 150 days to circulate petitions for this measure, meaning the signatures must be collected by August 27, 2007.

The initiative proponent can be reached at (310) 230-5418.

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