



DEBRA BOWEN

CALIFORNIA SECRETARY OF STATE

NEWS RELEASE

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Wealth Tax Initiative Enters Circulation

Wealth Tax. 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 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 proponent and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for this measure is as follows:

WEALTH TAX. CONSTITUTIONAL AMENDMENT AND STATUTE.

Imposes one-time tax of at least 55% on property exceeding \$20 million of a California resident or held in California by nonresident. Imposes one-time tax (between 36.5% - 54.3%) on income exceeding \$10 million when resident dies or leaves California. Imposes additional 17.5% tax on total incomes of taxpayers with income exceeding \$150,000 if single, \$250,000 if married; 35% if incomes exceed \$350,000 if single, \$500,000 if married. Creates tax credits. Requires State to acquire shares of specified corporations to influence environmental practices. May exempt new revenues from education funding requirements. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: 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 billions of dollars from imposition of the tax on certain people dying or leaving the state. This revenue would be allocated to accomplish various goals related to environmental protection. Potential annual net increase in personal income tax 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 state and local revenue reductions – potentially in the tens of billions of dollars annually – due to changes in taxpayer behavior. (Initiative 08-0012.)

The Secretary of State's tracking number for this measure is 1344 and the Attorney General's tracking number is 08-0012.

The proponent for this measure, Paul McCauley, must collect 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 it for the ballot. The proponent has 150 days to circulate petitions for this measure, meaning the signatures must be collected by January 2, 2009.

The initiative proponent can be reached at pmcca28169@aol.com. No phone number was provided.

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