

# DEBRA BOWEN

## CALIFORNIA SECRETARY OF STATE

### NEWS RELEASE

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CONTACT: Nicole Winger

(916) 653-6575

## Corporate Tax Initiative Enters Circulation

*Repeals Recent Legislation That Would Allow Businesses to Carry Back Losses, Share Tax Credits, And Use a Sales-Based Income Calculation. Initiative 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 the measure is as follows:

**REPEALS RECENT LEGISLATION THAT WOULD ALLOW BUSINESSES TO CARRY BACK LOSSES, SHARE TAX CREDITS, AND USE A SALES-BASED INCOME CALCULATION. INITIATIVE STATUTE.** Repeals recent legislation that would allow businesses to shift operating losses to prior tax years, and would allow corporations to share tax credits with affiliated corporations, to lower taxable income. 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, to reduce taxable income. 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. (09-0020.)

The Secretary of State's tracking number for this measure is 1375 and the Attorney General's tracking number is 09-0020.

The proponent for this measure, Lenny Goldberg, must collect signatures of 433,971 registered voters – the number equal to 5% 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 February 8, 2010.

The initiative proponent can be reached at (916) 442-2952.

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