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Tax-Related Initiative Enters Circulation

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:

**IMPOSES NEW ANNUAL SURCHARGE AND NEW ANNUAL TAX ON ALL PENSION INCOME OVER $40,000. INITIATIVE STATUTE.**

Imposes on California residents a new annual surcharge (between $5,000 and $50,750) and a new annual tax (between 20% and 60%) on all pension income, including employer-paid health insurance premiums, in excess of $40,000. May impose a one-time additional tax on non-California residents whose pension benefits earned in California in a taxable year exceed $40,000. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Potential annual state revenue increase of up to $18 billion beginning in 2012 and decreasing over time from new taxes on pension benefits. This estimate assumes the proposed excise tax is upheld by the courts. (10-0017.)

The Secretary of State’s tracking number for this measure is 1470 and the Attorney General’s tracking number is 10-0017.

The proponent for this measure, Paul McCauley, must collect signatures of 433,971 registered voters – the number equal to five percent 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 November 8, 2010.

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

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