

5-29-1979

Taxation Of Persons, Corporations, Insurers.

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Office of the Secretary of State
March Fong Eu

1230 J Street
Sacramento, California 95814

Elections Division
(916) 445-0820

November 13, 1979

TO: ALL COUNTY CLERKS/ REGISTRARS OF VOTERS
FROM: CASHMERE M. APPERSON, Elections Technician

Pursuant to Elections Code Section 3520(b), you are hereby notified that the total number of signatures to the two hereinafter named proposed initiative constitutional amendments filed with all county clerks is less than 100 percent of the number of qualified voters required to find the petition sufficient.

SUMMARY DATE: May 29, 1979

PROPONENT: Charles W. Dailey

TITLES: 1. TAXATION - PERSONAL AND CORPORATE
INCOME
2. TAXATION OF PERSONS, CORPORATIONS,
INSURERS

The above petitions have failed and no further action is necessary.



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May 29, 1979

TO ALL COUNTY CLERKS/ REGISTRARS OF VOTERS

Pursuant to Section 3513 of the Elections Code, there is transmitted herewith a copy of the Title and Summary prepared by the Attorney General on a proposed Initiative Measure entitled:

TAXATION - PERSONAL AND CORPORATE INCOME
INITIATIVE CONSTITUTIONAL AMENDMENT

Circulating and Filing Schedule

- 1. Minimum number of signatures required 553,790
Constitution II, 8(b).
- 2. Official Summary Date Tuesday, 5/29/79
Elections Code Section 3513.
- 3. Petition Sections:
 - a. First day Proponent can circulate
Sections for signatures Tuesday, 5/29/79
Elections Code Section 3513.
 - b. Last day Proponent can circulate and
file with the county. All Sections are
to be filed at the same time within
each county Friday, 10/26/79
Elections Code Sections 3513, 3520(a).
 - c. Last day for county to determine total
number of signatures affixed to petition
and to transmit total to the Secretary of
State Friday, 11/02/79

(If the Proponent files the petition with the county on a date prior to 10/26/79, the county has 5 working days from the filing of the petition to determine the total number of signatures affixed to the petition and to transmit this total to the Secretary of State).
Elections Code Section 3520(b).

- d. Last day for county to determine number of qualified electors who have signed the petition, and to transmit certificate, with a blank copy of the petition to the Secretary of State Saturday, 11/17/79

(If the Secretary of State notifies the counties to determine the number of qualified electors who signed the petition on a date prior to 11/02/79, the last day is not later than the fifteenth day after the notification). Elections Code Section 3520(d), (e).

- e. If the signature count is between 498,411 and 609,169 then the Secretary of State notifies counties using the random sampling technique to determine validity of all signatures.

Last day for county to determine actual number of all qualified electors who signed the petition, and to transmit certificate, with a blank copy of the petition to the Secretary of State Monday, 12/17/79

(If the Secretary of State notifies the counties to determine the number of qualified electors who have signed the petition on a date prior to 11/17/79, the last day is not later than the thirtieth day after the notification). Elections Code Section 3521(b), (c).

4. Campaign Statements:

Last day for Proponent to file a Campaign Statement of Receipts and Expenditures for period ending 11/23/79 Friday, 11/30/79

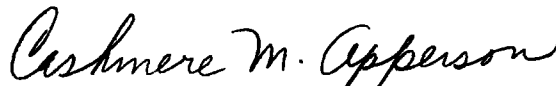
(If the Secretary of State finds that the measure has either qualified or failed to qualify on a date earlier than 10/26/79, the last date to file is the 35th calendar day after the date of notification by the Secretary of State that the measure has either qualified or failed to qualify. The closing date for this campaign statement is 7 days prior to the filing deadline). Government Code Section 84204.

5. The proponent of the above named measure is:

Mr. Charles W. Dailey
430 W. Adams Park Drive
Covina, CA 91722

Sincerely,

WILLIAM N. DURLEY
Assistant to the Secretary of State
Elections and Political Reform



CASHMERE M. APPERSON
Elections Technician

CMA:rh

NOTE TO PROPONENT: Your attention is directed to Elections Code Sections 41, 44, 3501, 3507, 3508, 3516, 3517, and 3519 for appropriate format and type considerations in printing, typing and otherwise preparing your initiative petition for circulation and signatures. Your attention is further directed to the campaign disclosure and petition circulating requirements of the Political Reform Act of 1974, Government Code Sections 81000 et seq.

DECLARATION OF SERVICE BY MAIL

I, Elva Gonsalves, declare as follows: I am over the age of 18 years, and not a party to the within action; my place of employment and business address is 555 Capitol Mall, Suite 350, Sacramento, California 95814.

On May 29, 1979, I served the attached

LETTER ADDRESSED TO HONORABLE MARCH FONG EU, SECRETARY OF STATE,
DATED: MAY 29, 1979


RE: INITIATIVE CONSTITUTIONAL AMENDMENT - TAXATION -
PERSONAL AND CORPORATE INCOME
(Our File No.: SA79RF0047)

by placing a true copy thereof in an envelope addressed to each of the persons named below at the address set out immediately below each respective name, and by sealing and depositing said envelope in the United States Mail at Sacramento, California, with postage thereon fully prepaid. There is delivery service by United States Mail at each of the places so addressed, or there is regular communication by mail between the place of mailing and each of the places so addressed:

Mr. Charles W. Dailey
430 West Adams Park Drive
Covina, California 91722

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 29, 1979, at Sacramento, California.


Elva Gonsalves
Declarant



State of California
Department of Justice
George Beukmejian
(PRONOUNCED DUKE-MAY-GIN)

Attorney General

May 29, 1979

555 CAPITOL MALL, SUITE 350
SACRAMENTO 95814
(916) 445-9555

FILED
In the office of the Secretary of State
of the State of California

MAY 29 1979

MARCH FONG EU, Secretary of State

By *Cashmere M. Apperson*
Deputy

Our File No.: SA79RF0047

Honorable March Fong Eu
Secretary of State
1230 J Street
Sacramento, California 95814

Attention: Rico Nannini

Re: Initiative Constitutional Amendment -
Taxation - Personal and Corporate Income

Dear Mrs. Eu:

Pursuant to the provisions of sections 3503 and 3513 of the Elections Code, you are hereby informed that on this day we mailed to Charles W. Dailey, as proponent, the following title and summary:

TAXATION - PERSONAL AND CORPORATE INCOME. INITIATIVE CONSTITUTIONAL AMENDMENT. Amends personal and corporate income tax provisions currently contained in article XIII, sections 26 and 27, of California Constitution. Establishes formula for tax rate, not to exceed 7½%, that may be applied to any individual's taxable income. Sets maximum tax rate for corporate taxable income at 6¼%. Requires Legislature to define taxable income for persons and corporations. Allows Legislature to classify types of organizations as tax-exempt corporations and specify what part of their income shall be tax exempt. Provides that effective date of amendment shall be January 1, 1981. Financial impact: Would reduce personal income taxes by about \$1.7 billion, and bank and corporation taxes by about \$800 million, resulting in annual loss in state revenues of about \$2.5 billion. No effect on state costs or local government revenues and costs.

Enclosed herewith is a declaration of mailing thereof, and a copy of the proposed measure.

Honorable March Fong Eu - 2 -

May 29, 1979

According to information available in our records, the address and phone number of the proponent of this measure are as stated on the declaration of mailing.

Very truly yours,

George Deukmejian
Attorney General

Susan P. Underwood
Susan P. Underwood
Deputy Attorney General

SPU:rr
Enclosures

SECTION 1. Sections 26 and 27 of Article XIII are repealed

SECTION 2. Section 26 is added to Article XIII to read:

- A. Taxes on or measured by income may be imposed on persons, corporations, or other entities as prescribed by law and subject to the limitations and/or provisions of this section.
- B. Interest on bonds issued by the State or a local government in the State is exempt from taxes on income.
- C. Income of a nonprofit educational institution of a collegiate grade within the State of California is exempt from taxes on or measured by income if: (1) it is not unrelated business income as defined by the Legislature, and (2) it is used exclusively for educational purposes.
- D. The Legislature, a majority of the membership of each House concurring, may tax personal income by any method not prohibited by this Constitution or the Constitution or laws of the United States. Imposition of any such tax shall be subject to the following provisions and/or limitations:
1. For purposes of this section, an "individual" is defined as a natural person, a married couple, an estate or a trust.
 2. The maximum tax rate that may be applied to any individual's taxable income shall be the lesser of: (a) 7-1/2 percent or (b) the quotient derived from dividing that individual's taxable income by the current "Personal Income Tax Denominator".

3. For the year commencing January 1, 1981, the "Personal Income Tax Denominator" shall be 431,000 (four hundred and thirty-one thousand). Every year thereafter the "Personal Income Tax Denominator" shall be adjusted upward or downward to correspond proportionally to any subsequent increase or decrease in per capita personal income in the State.
 4. The Legislature, a majority of both houses concurring, shall define that portion of personal income that constitutes taxable income.
- E. The Legislature, a majority of the membership of each house concurring, may tax corporations, including State and national banks, and their franchises by any method not prohibited by this Constitution or the Constitution or laws of the United States. Unless otherwise provided by the Legislature, the tax on State and national banks shall be according to or measured by their net income and shall be in lieu of all other taxes and license fees upon banks or their shares, except taxes upon real property and vehicle registration and license fees. Any tax on or measured by corporate income shall be subject to the following limitations and/or provisions:
1. With the exception of the tax rate applied to the income of State and national banks, the maximum tax rate that may be applied to corporate taxable income is 6-1/4 percent.
 2. The Legislature may specify certain types of organizations as being "Tax Exempt Corporations" and enact legislative defining that part of each type of organization's income that is tax exempt.

3. The Legislature shall define corporate taxable income.

F. The provisions of this section shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith and shall become effective January 1, 1981.