

1966

PERSONAL INCOME TAXES

Follow this and additional works at: http://repository.uchastings.edu/ca_ballot_props

Recommended Citation

PERSONAL INCOME TAXES California Proposition 14 (1966).
http://repository.uchastings.edu/ca_ballot_props/691

This Proposition is brought to you for free and open access by the California Ballot Propositions and Initiatives at UC Hastings Scholarship Repository. It has been accepted for inclusion in Propositions by an authorized administrator of UC Hastings Scholarship Repository. For more information, please contact marcusc@uchastings.edu.

limit protest hearings to less time than either they or the property owners would like.

Los Angeles County faced up to this situation in 1962 and secured a constitutional amendment permitting it to establish separate assessment appeals boards to review property owners protests. The Los Angeles system has worked well and a number of other counties have indicated that they would like to adopt it. At present, however, the Constitution prohibits the assessment appeals board system from being used in counties with a population of less than 400,000.

The proposed constitutional amendment (A. C. A. 10) eliminates this artificial prohibition. The amendment would permit all counties to establish separate appeals boards to handle assessment protests.

The permissive wording of the proposed constitutional amendment leaves the actual decision to establish an appeals board in the hands of the

board of supervisors of each county. Thus, it insures that the appeals board system will be activated only in those counties in which the local authorities have decided there is a genuine need for it.

The proposed constitutional amendment has the enthusiastic support of the County Supervisors Association and other representatives of local government.

JOHN T. KNOX
Chairman, Assembly Municipal and County Government Committee

WALTER W. STIERN
State Senator

NICHOLAS PETRIS
Chairman, Assembly Revenue and Taxation Committee

PROPERTY TAX STATEMENT. Legislative Constitutional Amendment.

13 Removes from Constitution requirement that Legislature shall require each taxpayer file annual property statement.

YES

NO

(For Full Text of Measure, See Page 35, Part II)

General Analysis by the Legislative Counsel

A "Yes" vote on this measure is a vote to repeal the provision of the Constitution which directs the Legislature to enact laws requiring each taxpayer to deliver a property statement to the county assessor each year.

A "No" vote is a vote to retain this requirement in the Constitution.

For further details see below.

Detailed Analysis by the Legislative Counsel

Section 8 of Article XIII of the State Constitution now provides that the Legislature shall enact laws to require every taxpayer to make, under oath, and deliver to the county assessor an annual property statement which shows all real and personal property owned, possessed, or controlled by the taxpayer as of noon on the first Monday in March. The Legislature has enacted such legislation.

This measure, if approved by the voters, would delete this requirement from the Constitution. However, approval of the measure would not repeal the statutory provisions relating to property statements.

Argument in Favor of Proposition No. 13

Are you breaking the law?
You are if you do not furnish your county assessor with a complete listing of your property each year.

The State Constitution requires every property owner to report to the assessor what he owns as the first Monday in March.

However, this law has never been enforced. Taxpayers do not furnish this information at the present time, unless requested by the assessor.

A yes vote on this measure will remove this unused section from the Constitution. If this requirement were to be enforced, it would be an unjustified harassment of the taxpayer.

There are laws on the books which allow the assessor to request and get the information he needs to make an accurate assessment of property. This measure will not change these laws, and the assessor will continue to have access to the necessary information.

To remove this unnecessary section from the Constitution, vote YES on Proposition 13.

NICHOLAS C. PETRIS
Assemblyman, Alameda County
JAMES A. COBEY
State Senator
Merced-Madera Counties

PERSONAL INCOME TAXES. Legislative Constitutional Amendment.

14 Authorizes Legislature to provide for reporting and collecting California personal income taxes by reference to provisions of the laws of the United States and may prescribe exceptions and modifications thereto.

YES

NO

(For Full Text of Measure, See Page 35, Part II)

General Analysis by the Legislative Counsel

A "Yes" vote on this measure is a vote to authorize the Legislature to incorporate federal laws which may be enacted in the future, as well as ex-

isting federal laws, into California's law in the reporting and collection of California personal income taxes; and to permit the amount of income tax computed under federal law to be used in re-

porting and collecting California personal income taxes.

A "No" vote is a vote to deny the Legislature this authority.

For further details see below.

Detailed Analysis by the Legislative Counsel

This measure, if approved by the voters, would add Section 114 to Article XIII to permit the Legislature, in the reporting and collection of the state personal income tax, to incorporate provisions of the federal law as they may be enacted or amended in the future, as well as to incorporate existing provisions of federal law, so as to make any of those provisions apply to the reporting and collection of state income taxes. The federal law so incorporated would be made subject to exceptions or modifications, if any, that the Legislature may prescribe.

The measure would specifically permit the inclusion of a reference to the amount of any federal tax on, in respect to, or measure by, personal income which is computed under any provision of federal law. This would permit the amount of income tax computed under federal law to be used in reporting and collecting California personal income taxes.

Argument in Favor of Proposition No. 14

At last! Here is a proposal to make our income tax easier to figure out.

A YES vote on this proposition will allow the Legislature to adopt federal income tax laws as much as practical for our own state income tax purposes. This means we will be able to use the calculations made for federal tax purposes in our state tax form. We would not accept the higher federal tax rates.

Under present law we make all the additions and subtractions necessary for the federal tax form and then go through the same process all over again for the state tax return.

There are now 54 differences between the federal law and the state law—this proposal will make the two laws the same. Improved administration can be achieved without incurring additional costs as returns will be easier to check and verify. Furthermore, it will be easier to check on those who are not reporting correctly.

The vast majority of the federal income tax law and the state income tax law is the same now—but the few differences that do exist are the problem area we seek to simplify with this constitutional amendment.

We are not giving away our own power to make necessary changes in our tax laws in the future. We simply say that the present federal method of computing income is acceptable to us and should be incorporated in our state law. At any time in the future the Legislature may determine that a particular new federal law would seriously affect our state financial structure and we could reject that change. Thus our own state Legislature will retain the power to write our tax laws so they will truly reflect the economy of California and her taxpayers. Every year the Legislature wastes time and effort processing bills which make the most recent changes in federal statutes the law of California.

The State Assembly conducted a two-year study

of our tax structure and this proposal is one of the recommendations they made. New York has already adopted the system and our California State Bar Association Committees have supported this action.

Vote YES for simplicity.

MILTON MARKS, Chairman
Assembly Committee on Govern-
ment Organization

NICHOLAS C. PETRIS, Chairman
Assembly Committee on Revenue
and Taxation

Argument Against Proposition No. 14

A "No" vote on Proposition 14 insures fiscal responsibility on the part of your elected state officials.

Proposition 14 would authorize the California Legislature—made up of your elected representatives in Sacramento—to abdicate a large part of their responsibility for enacting laws relating to the income tax you must pay to the State of California. This responsibility would be shifted to Washington, D.C., where only 38 out of 435 Members of the House of Representatives and only two of the 100 Members of the Senate are elected by Californians.

This measure would allow the Legislature to make all future federal income tax enactments an integral part of California's Personal Income Tax Law. It would reverse the normal legislative process. Under the State Constitution, as it presently reads, the Legislature may adopt existing federal laws by taking affirmative action to enact appropriate legislation. It is in this manner that California's law has been made to conform to the federal tax system in the past.

Proposition 14 would allow the State Legislature to incorporate future federal income tax laws into California's system by reference. Such federal legislation would remain a part of our State's law until positive action were taken by the Legislature to change it. If the Legislature were not in session, objectionable or unworkable laws would remain on the books until your elected officials convened and acted.

Dilution of accountability for tax legislation will not best serve California's taxpayers. Responsibility for increases in your state income tax should not be divided between Sacramento and Washington. The legislative body spending the tax dollar should be solely answerable to the electorate for levying the tax. This is the best assurance that your elected representatives will carefully balance the interests of taxpayers and the beneficiaries of state appropriations.

The California Legislature could not adopt future congressional acts by reference without an authorization similar to that contained in Assembly Constitutional Amendment No. 18. However, even without such a constitutional amendment, there is no prohibition against the incorporation by reference of existing federal income tax laws.

FRANK LANTERMAN
Member of the Assembly
47th District
California Legislature

12	TAX ASSESSMENT APPEALS BOARDS. Legislative Constitutional Amendment. Authorizes any county to create assessment appeals board to act as board of equalization of taxable property in the county.	YES	
		NO	

(This amendment proposed by Assembly Constitutional Amendment No. 10, 1966 First Extraordinary Session, expressly amends an existing section of the Constitution; therefore **EXISTING PROVISIONS** proposed to be **DELETED** are printed in **STRIKEOUT TYPE**, and **NEW PROVISIONS** proposed to be **ADDED** are printed in **BLACK-FACED TYPE**.)

**PROPOSED AMENDMENTS TO
ARTICLE XIII**

SEC. 9.5. (a) ~~On or before the last day of January in any year, the~~ The board of supervisors of any county having a population in excess of 400,000 as ascertained by the last United States decennial census may by ordinance create tax assessment appeals boards for the county.

When created and in existence tax assessment appeals boards shall constitute boards of equalization for their respective counties. Each board shall have the power to equalize the valuation of the taxable property in the county for the purpose of taxation in the manner provided for in Section 9 of this article. All general laws pertaining to

county boards of equalization shall be applicable to county tax assessment appeals boards. The board of supervisors shall fix the compensation payable to members of tax assessment appeals boards, provide such clerical and other assistance as is necessary therefor and adopt such rules of notice and procedure for such boards as may be required to facilitate their work and to insure uniformity in the processing and decision of equalization petitions.

(b) The Legislature shall provide by law for:

(1) The number of tax assessment appeals boards, in excess of one, which may be created within any county and the number of members to serve on each such board.

(2) The qualifications of and manner of selection and appointment of persons to serve on such boards.

(3) The terms for which members shall serve, for their removal and for the procedure for the discontinuance of such boards in any county.

(c) This section shall not become applicable in any county until the Legislature has by legislation authorized the creation of a tax appeals board for that county.

13	PROPERTY TAX STATEMENT. Legislative Constitutional Amendment. Removes from Constitution requirement that Legislature shall require each taxpayer file annual property statement.	YES	
		NO	

(This amendment proposed by Assembly Constitutional Amendment No. 11, 1966 First Extraordinary Session, expressly repeals an existing section of the Constitution, therefore, **EXISTING PROVISIONS** proposed to be **REPEALED** are printed in **STRIKEOUT TYPE**.)

**PROPOSED AMENDMENT TO
ARTICLE XIII**

That the Constitution of the State be amended by repealing Section 8 of Article XIII thereof.

Sec. 8. The Legislature shall by law require each taxpayer in this State to make and deliver to the County Assessor, annually, a statement, under oath, setting forth specifically all the real and personal property owned by such taxpayer, or in his possession, or under his control, at twelve o'clock meridian, on the first Monday of March.

14	PERSONAL INCOME TAXES. Legislative Constitutional Amendment. Authorizes Legislature to provide for reporting and collecting California personal income taxes by reference to provisions of the laws of the United States and may prescribe exceptions and modifications thereto.	YES	
		NO	

(This amendment proposed by Assembly Constitutional Amendment No. 18, 1965 Regular Session, does not expressly amend any existing section of the Constitution, but adds a new section thereto; therefore, the provisions thereof are printed in **BLACK-FACED TYPE** to indicate that they are **NEW**.)

**PROPOSED AMENDMENT TO
ARTICLE XIII**

11. The Legislature may simplify the reporting and collection of California personal

income taxes, notwithstanding any other provision of this Constitution, by reference to any provision of the laws of the United States as the same may be or become effective at any time or from time to time, and may prescribe exceptions or modifications to any such provision.

As used in this section "any provision of the laws of the United States" includes a reference to the amount of any federal tax on in respect to or measured by personal income which is computed under any provision of federal law.