

12-11-1997

Corporations. Taxes.

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BILL JONES
Secretary of State
State of California

ELECTIONS DIVISION
(916) 657-2166
1500 - 11th STREET
SACRAMENTO, CA 95814
Voter Registration Hotline
1-800-345-VOTE
For Hearing and Speech Impaired
Only
1-800-833-8683
e-mail: comments@ss.ca.gov

December 11, 1997

TO: ALL REGISTRARS OF VOTERS, OR COUNTY CLERKS, AND PROPONENTS (97238)

FROM: *Cathy Mitchell*
CATHY MITCHELL
ELECTIONS SPECIALIST

SUBJECT: INITIATIVE #784

Pursuant to Elections Code section 336, we transmit herewith a copy of the Title and Summary prepared by the Attorney General on a proposed initiative measure entitled:

**CORPORATIONS. TAXES.
INITIATIVE STATUTE.**

The proponent of the above-named measure is:

Lenny Goldberg
California Tax Reform Association
926 J Street, Suite 710
Sacramento, CA. 95814
(916) 446-4300

**#784
CORPORATIONS. TAXES.
INITIATIVE STATUTE.**

CIRCULATING AND FILING SCHEDULE

1. Minimum number of signatures required: 433,269
California Constitution, Article II, Section 8(b)

2. Official Summary Date:.....Thursday, 12/11/97
Elections Code section (EC§) 336

3. Petitions Sections:
 - a. First day Proponent can circulate Sections for
signatures (EC §336)Thursday, 12/11/97

 - b. Last day Proponent can circulate and file
with the county. All sections are to be filed at the
same time within each county (EC §336, 9030(a)) Monday, 05/11/98*

 - c. Last day for county to determine total number of
signatures affixed to petitions and to transmit total
to the Secretary of State (EC §9030(b)).....Thursday, 05/21/98

(If the Proponent files the petition with the county on a date prior to 05/11/98,
the county has eight working days from the filing of the petition to determine
the total number of signatures affixed to the petition and to transmit the total to
the Secretary of State) (EC §9030(b)).

 - d. Secretary of State determines whether the total number
of signatures filed with all county clerks/registrars of
voters meets the minimum number of required signatures,
and notifies the counties (EC §9030(c)).....Saturday, 05/30/98**

 - e. Last day for county to determine total number of qualified
voters who signed the petition, and to transmit certificate
with a blank copy of the petition to the Secretary of State
(EC §9030(d)(e))..... Friday, 07/10/98

* Date adjusted for official deadline which falls on Sunday. Elec. Cd., §15.

** Date varies based on receipt of county certification.

INITIATIVE #784

Circulating and Filing Schedule continued:

(If the Secretary of State notifies the county to determine the number of qualified voters who signed the petition on a date other than 05/30/98, the last day is no later than the thirtieth day after the county's receipt of notification). (EC §9030(d)(e)).

- f. If the signature count is more than 476,596 or less than 411,606 then the Secretary of State certifies the petition as qualified or failed, and notifies the counties. If the signature count is between 411,606 and 476,596 inclusive, then the Secretary of State notifies the counties using the random sampling technique to determine the validity of all signatures (EC §9030(f)(g); 9031(a))..... Monday, 07/20/98**
- g. Last day for county to determine actual number of all qualified voters who signed the petition, and to transmit certificate with a blank copy of the petition to the Secretary of State (EC §9031(b)(c)).Monday, 08/31/98

(If the Secretary of State notifies the county to determine the number of qualified voters who have signed the petition on a date other than 07/20/98, the last day is no later than the thirtieth working day after the county's receipt of notification). EC §9031(b)(c).

- h. Secretary of State certifies whether the petition has been signed by the number of qualified voters required to declare the petition sufficient (EC §9031(d); 9033).Friday, 09/04/98**

NOTE TO PROPONENTS WHO WISH TO QUALIFY FOR THE NOVEMBER 3, 1998 GENERAL ELECTION: This initiative must be certified for the ballot 131 days before the election (June 25, 1998). Please remember to time your submissions accordingly. For example, in order to allow the maximum time permitted by law for the random sample verification process, it is suggested that proponents file their petitions to county elections official by April 17, 1998. If a 100% check of signatures is necessary, it is advised that the petitions be filed by February 25, 1998.

** Date varies based on receipt of county certification.

IMPORTANT POINTS

- California law prohibits the use of signatures, names and addresses gathered on initiative petitions for any purpose other than to qualify the initiative measure for the ballot. This means that the petitions cannot be used to create or add to mailing lists or similar lists for any purpose, including fundraising or requests for support. Any such misuses constitutes a crime under California law. Elections Code section 18650; *Bilofsky v. Deukmejian* (1981) 123 Cal. App. 3d 825, 177 Cal. Rptr. 621; 63 Ops. Cal. Atty. Gen. 37 (1980).
- Please refer to Elections Code sections 100,101,104,9001, 9008, 9009, 9021, and 9022 for appropriate format and type consideration in printing, typing and otherwise preparing your initiative petition for circulation in printing, typing and otherwise preparing your initiative petition for circulation and signatures, Please send a copy of the petition after you have it printed. This copy is not for our review or approval, but to supplement our file.
- Your attention is directed to the campaign disclosure requirements of the **Political Reform Act of 1974**, Government Code section 81000 et seq. A brief summary is attached for your reference.
- When writing or calling state or county elections officials, provide the official title of the initiative which was prepared by the Attorney General. Use of this title will assist elections officials in referencing the proper file.
- When a petition is presented to the county elections official for filing by someone other than the proponent, the required authorization shall include the name or names of the persons filing the petition.
- When filing the petition with the county elections official, please provide a blank petition for elections official use.

Enclosures

DANIEL E. LUNGREN
Attorney General

State of California
DEPARTMENT OF JUSTICE



1300 I STREET, SUITE 125
P.O. BOX 944255
SACRAMENTO, CA 94244-2550
(916) 445-9555

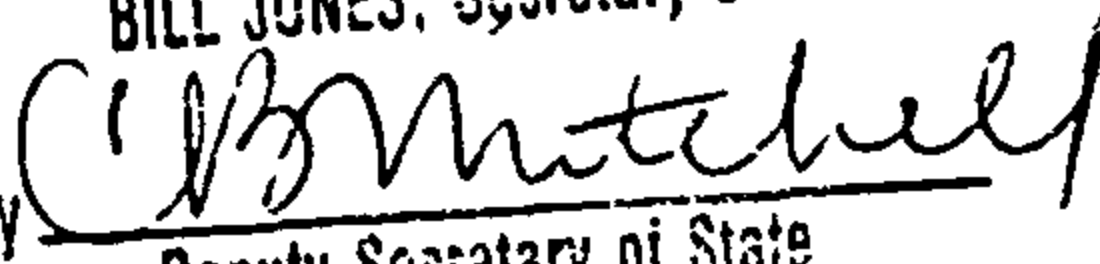
Facsimile: (916) 323-2137
(916) 324-5490

December 11, 1997

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

DEC 11 1997

Bill Jones
Secretary of State
1500 - 11th Street
Sacramento, CA 95814

BILL JONES, Secretary of State
By 
Deputy Secretary of State

Re: Initiative Title and Summary
Subject: CORPORATIONS. TAXES. INITIATIVE STATUTE.
File No: SA 97 RF 0052

Dear Mr. Jones:

Pursuant to the provisions of sections 9004 and 336 of the Elections Code, you are hereby notified that on this day we mailed to the proponent of the above-identified proposed initiative our title and summary.

Enclosed is a copy of our transmittal letter to the proponent, a copy of our title and summary, a declaration of mailing thereof, and a copy of the proposed measure.

According to information available in our records, the name and address of the proponent is as stated on the declaration of mailing.

Sincerely,

DANIEL E. LUNGREN
Attorney General



Michelle Olsen
Initiative Coordinator

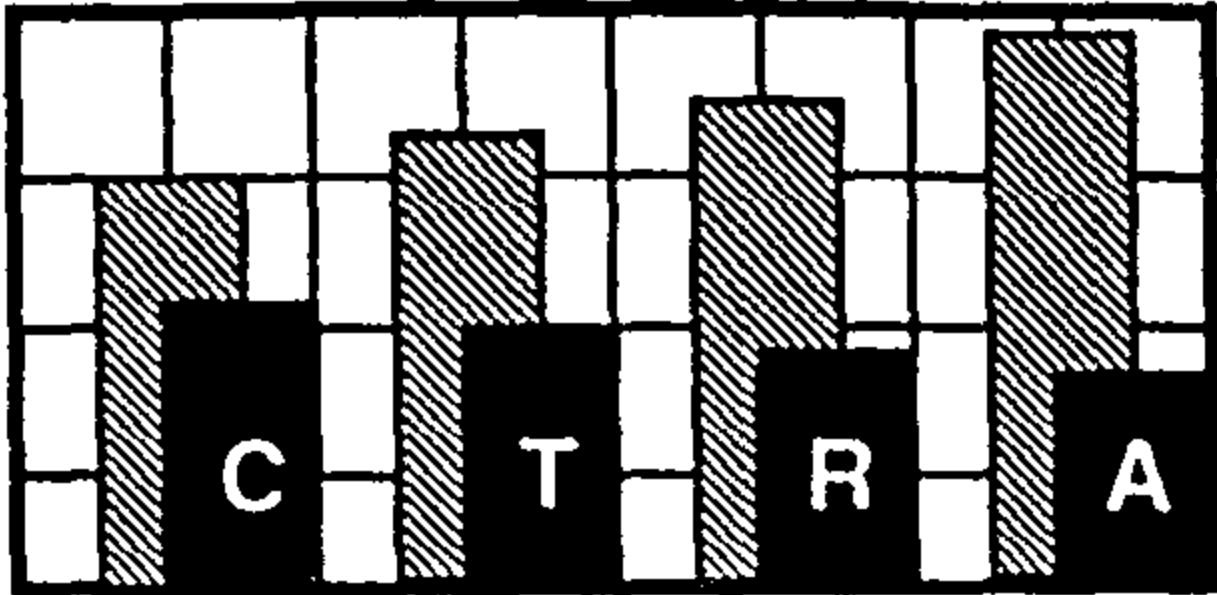
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Enclosures

Date: December 11, 1997
File No: SA 97 RF 0052

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

CORPORATIONS. TAXES. INITIATIVE STATUTE. Requires tax rate on corporate income to be the same as tax rate on income from wages and salaries. Repeals tax rates, credits, exemptions, exclusions, deductions, or methods of calculation which reduce corporate income tax revenues and became effective after January 1, 1991. Makes permanent any temporary suspensions of such tax rates, credits, exemptions, exclusions, or deductions in effect on January 1, 1991; continues existing repeals or sunsets of such provisions. Requires distribution of additional revenue resulting from the measure in each fiscal year to California residents who reported income to Franchise Tax Board in that fiscal year. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: The measure would result in an estimated state revenue gain of over \$1.1 billion annually due to higher corporate tax liabilities, which would be distributed to taxpayers (no direct impact on the state budget).

SA97RF 0052



California Tax Reform Association

926 J Street, Suite 710, Sacramento, CA 95814

Telephone 916-446-4300 FAX 916-444-6611

E-mail: ctra@sna.com

October 14, 1997

RECEIVED
OCT 14 1997

The Honorable Dan Lungren
Attorney General
State of California
1300 I Street
Sacramento, CA 95814

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Dear Attorney General Lungren:

Please prepare title and summary for the enclosed initiative measure, sponsored by the California Tax Reform Association. A check is enclosed for the appropriate filing fees.

Sincerely,

Lenny Goldberg
Executive Director

enclosures

**THE CORPORATE TAX LOOPHOLE CLOSURE AND INDIVIDUAL TAX
REFUND ACT OF 1998.
AN INITIATIVE STATUTE.**

Section 1. This initiative statute shall be known as the Corporate Tax Loophole Closure and Individual Tax Refund Act of 1998.

Section 2. The People of California find and declare all of the following:

- [a] Corporations benefit from state laws allowing them to receive special advantages and amass substantial wealth;
- [b] Corporations spend millions of dollars on lobbyists and campaign contributions in order to obtain benefits from State Government that are not available to ordinary taxpayers;
- [c] State tax laws contain numerous special tax loopholes that have shifted more of the burden of taxation onto ordinary taxpayers who earn most of their income from wages and salaries;
- [d] Since 1991, the Legislature has enacted numerous tax breaks for corporations while increasing taxes falling heaviest on individual taxpayers;
- [e] Corporations have received these special tax benefits without any requirement that, in exchange, they increase the total number of permanent jobs they create in California at wages above the poverty level;
- [f] California's economy will benefit from a more uniform tax system that puts more money in the pockets of consumers by eliminating State tax laws giving preferential treatment to corporations and refunding the resulting revenues to ordinary taxpayers.

Section 3. The purpose and intent of the People is to restore fairness to the State's tax laws by:

- [a] Taxing corporate profits at the same rate as income from wages and salaries;
- [b] Repealing all corporate tax breaks adopted by the Legislature since 1991;
- [c] Refunding to taxpayers the revenues that result from the elimination of special corporate tax advantages;

- [d] Requiring any future special corporate tax loopholes to be approved by a vote of the People; and
- [e] Limiting the ability of the Legislature to create new corporate tax loopholes.

Section 4. Corporate profits shall be taxed at the same tax rate as income from wages and salaries.

Section 5. Any additional tax revenues derived from this measure shall be returned to the taxpayers in the following manner:

- [a] The total of any net revenue resulting from this measure shall be deposited in a Taxpayer Reimbursement Fund, which is hereby created;
- [b] Within 30 days after the end of each fiscal year in which moneys are deposited in the Taxpayer Reimbursement Fund, the Controller shall refund to taxpayers all of the moneys deposited in the Fund after reimbursing the State for any necessary expenses incurred in order to enforce this measure;
- [c] The Controller shall determine the amount of each refund by dividing the total amount of moneys to be refunded by the total number of taxpayers;
- [d] Moneys deposited in the Taxpayer Reimbursement Fund shall not be used for any other purpose than the purposes specified by this section.

Section 6. For the purposes of this measure,

- [a] "corporate profits" means taxable corporate income as defined by the Revenue and Taxation Code in effect January 1, 1991;
- [b] any preferential tax rate, credit, exemption, exclusion, deduction or method of calculation applying to corporate income taxes taking effect after January 1, 1991, and reducing corporate income tax revenues is repealed by this measure, and any temporary suspension of a preferential corporate income tax rate, credit, exemption, exclusion or deduction in effect January 1, 1991, is made permanent;
- [c] any preferential tax rate, credit, exemption, exclusion, deduction or method of calculation applying to corporate income taxes in effect January 1, 1991, subject to repeal or sunset after that date shall continue to be repealed or sunsetted;

- [d] “taxpayer” means any California resident who has reported wage, salary or pension income to the Franchise Tax Board during the fiscal year prior to the fiscal year in which the refund is made, without regard to filing status;
- [e] “tax rate” means the schedule of personal income tax brackets applying to single personal income tax filers.

Section 7. This measure shall take effect the first day of the month following the month in which this measure is adopted by the People.

Section 8. The Legislature, by majority vote, may change the definition of corporate profits if any such change applies equally to income from wages and salaries or conforms taxes on corporate income to federal law and does not reduce corporate income tax revenues. Any law reducing corporate income tax revenues or otherwise amending this measure shall be approved by vote of the People.

Section 9. This measure shall be liberally construed to effect its purposes and intent.

Section 10. If any provision of this measure or the application thereof to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the measure which can be given effect without the invalid provision or application, and to this end the provisions of this measure are severable.