

★ ARGUMENT IN FAVOR OF PROPOSITION 24 ★

A Yes vote on Prop. 24, the “Tax Fairness Act,” ends \$1.7 billion in special corporate tax loopholes that don’t require the creation or protection of one single California job. Vote Yes because we need jobs, not more big corporate tax loopholes!

During the recent state budget disaster, legislators and big corporations cut a deal behind closed doors which raises your taxes. That deal with legislators included \$18 billion in tax hikes for you and huge tax breaks for big corporations. These same corporations made no guarantees that a single job would be created or saved to get this handout. That’s why these tax breaks should be repealed. A Yes vote on Prop. 24 will end this bad deal.

If you’re worried that Prop. 24 would hurt California’s small businesses, don’t fall for those scare tactics. Here are the facts:

Prop. 24 will end tax loopholes that unfairly benefit less than 2% of California’s businesses that are the wealthiest, multi-state corporations. 98% of California’s businesses, especially small businesses, would get virtually no benefit from the tax breaks.

Corporations that are paying to defeat Prop. 24 and keep these loopholes are paying their CEOs over \$8.5 billion, and made over \$65 billion in profits last year, while at the same time laying off over 100,000 workers.

By voting Yes on Prop. 24, we can keep the Legislature from making even deeper cuts in public schools, health care and public safety. During last year’s budget disaster, the Legislature made \$30 billion in cuts that resulted in 16,000 teacher layoffs, and put 6,500 prisoners back on the street. But they gave corporations \$1.7 billion in tax breaks. Prop. 24 will make big corporations pay their fair share and put \$1.7 billion back into the treasury for our students, classrooms, police and fire services and health care we

really need.

These unfair corporate tax loopholes put an even bigger burden on the average individual taxpayer. At the same time the Legislature gave corporations \$1.7 billion in tax breaks every year, they RAISED \$18 billion in taxes on people like you.

Republicans have joined Democrats in support of Prop. 24 because it stops Sacramento from using our tax system to play favorites. When Sacramento politicians passed targeted tax cuts last year, they were saying big corporations deserve a tax break, but average Californians don’t.

Vote Yes on Prop. 24 to ensure tax fairness so big corporations have to play by the same rules as the rest of us.

Instead of creating unfair tax loopholes for giant out-of-state corporations, we could be giving tax incentives to California’s small businesses that actually create jobs for Californians. Vote Yes to help our small businesses and put \$1.7 billion back into the treasury to help our students, schools and public safety.

Voting Yes on Prop. 24 tells the Legislature to get its priorities straight by putting schools and public safety ahead of tax loopholes for corporations.

DAVID A. SANCHEZ, President
California Teachers Association

JANIS R. HIROHAMA, President
League of Women Voters of California

LENNY GOLDBERG, Executive Director
California Tax Reform Association

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 24 ★

Proposition 24’s proponents never met a tax they didn’t like. They won’t reduce lavish public pensions, yet have no problem raising taxes on everyone else. Sacramento politicians already increased taxes on families and businesses \$18 billion. Proponents want even more.

HIGHER TAXES ON SMALL BUSINESSES

Proponents falsely claim it only hits big corporations, but State Franchise Tax Board records show Proposition 24 could impact 120,000 businesses. Small businesses can’t survive more tax increases:

“We are struggling to keep our doors open and keep jobs for our employees and their families. Small businesses can’t afford Proposition 24.”—Terry Maxwell, T.L. Maxwell’s Restaurant

CALIFORNIA NEEDS JOBS, NOT A JOBS TAX

It taxes job creation in our most promising industries (high tech, biotech, and clean tech) and hits businesses with another \$1.7 billion tax increase—more layoffs, more companies and jobs leaving California. 2,000,000 Californians are already out of work. Isn’t that enough?

LESS MONEY FOR VITAL SERVICES

Proponents failed to include language to guarantee proper expenditure of the tax increase, leaving it up to the same politicians who misspent us into debt. Worse, Proposition 24 would dramatically slow down our economic recovery, leaving fewer long-term revenues for classrooms, public safety, services for seniors and others.

Everyone is suffering in this economy. Proposition 24 would make things worse by eliminating the tax updates necessary to rebuild our economy and grow jobs and reducing long-term revenues for schools and other services. A LOSE, LOSE proposition.

STOP THE JOBS TAX—NO ON 24

www.StopProp24.com

KENNETH A. MACIAS, Statewide Elected Chair
California Hispanic Chambers of Commerce

WILLIAM J. HUME, Past Vice-President
California State Board of Education

DR. JOSEPH L. BRIDGES, President & Chief Executive Officer
The Seniors Coalition

PROP 24 REPEALS RECENT LEGISLATION THAT WOULD ALLOW BUSINESSES TO LOWER THEIR TAX LIABILITY. INITIATIVE STATUTE.

★ ARGUMENT AGAINST PROPOSITION 24 ★

VOTE NO ON PROPOSITION 24—STOP THE JOBS TAX!

Make no mistake, Proposition 24:

- DOESN'T guarantee a single dollar will go into our classrooms, public safety or other vital programs, and would in fact REDUCE long-term revenues for these services
- *DOESN'T close a single loophole*

Instead, Proposition 24:

- Hits consumers and employers with \$1.7 billion in higher taxes—every year
- Gives Sacramento politicians a BLANK CHECK to spend billions with *NO accountability*
- Would cost California 144,000 jobs
- Taxes employers for creating jobs in California
- Stifles job growth in our most promising industries

PROPOSITION 24 HURTS SMALL BUSINESSES AND SENDS JOBS OUT OF CALIFORNIA

Small businesses are the backbone of our economy, but in this recession they've taken a hit, forcing them to lay off employees, reduce salaries and even close up shop.

"Last year, small business bankruptcies in California rose 81%. I own a small business. Proposition 24 is just one more tax burden we can't afford."—John Mullin, Owner, Pacific M Painting

Proposition 24 will eliminate the job-creating tax incentives that help small businesses survive the down economy, forcing more companies OUT OF BUSINESS and more families OUT OF WORK.

CALIFORNIA FAMILIES CAN'T AFFORD PROPOSITION 24's NEW TAXES

California has one of the *WORST* tax climates for businesses, ranking 48 out of the 50 states.

Proposition 24 makes it even worse, hitting small businesses and employers with billions in higher taxes that are passed on to consumers in the form of higher prices for goods and services.

- More than 2 million Californians are unemployed.
- 12.4% unemployment—among the highest in the nation.
- 120,000 California businesses could be impacted by Proposition 24, according to California's Franchise Tax Board.

PROPOSITION 24 WILL LEAD TO FEWER JOBS FOR CALIFORNIANS

Proposition 24 repeals recent state tax updates desperately needed to grow our economy and put Californians back to work. Proposition 24 taxes new job creation and penalizes businesses when they try to expand in California. Twenty-three *other states*, like New York, Oregon and Texas, have updated their tax systems and California finally did too, but Proposition 24 will take our state back to an outdated, anti-competitive system.

Proposition 24 is a short-sighted scheme that closes the door on *JOBS* when we can least afford it. Fewer jobs mean LESS long-term revenues for schools, public safety and other vital services.

PROPOSITION 24—A GIANT STEP BACKWARD

Proposition 24 penalizes job growth and encourages businesses to expand into *OTHER* states—taking good jobs and tax revenue with them.

Proposition 24 taxes new jobs created by high tech, clean tech, biotech and other promising industries—jobs that could lead our economic recovery. California's non-partisan Legislative Analyst's Office says that under Proposition 24: "businesses . . . may cut back their planned California operations."

JOIN SMALL BUSINESSES, TAXPAYERS AND OTHERS AND VOTE NO ON PROPOSITION 24!

- California Association of Independent Business
- BayBio
- Silicon Valley Leadership Group
- California Chamber of Commerce
- TechNet

VOTE NO ON 24—STOP THE JOBS TAX, KEEP JOBS IN CALIFORNIA!

www.StopProp24.com

TERESA CASAZZA, President

California Taxpayers' Association

MARIAN BERGESON, Former California Secretary of Education

BILL LA MARR, Executive Director
California Small Business Alliance

★ REBUTTAL TO ARGUMENT AGAINST PROPOSITION 24 ★

A Yes Vote on Prop. 24, the "Tax Fairness Act," ends \$1.7 BILLION in new special tax breaks to multi-state corporations with no requirement to create one new job. \$1.7 billion that is desperately needed for our public schools, health care and public safety.

That's why teachers, nurses, small businesses, and public safety groups urge you to vote YES on Prop. 24.

The scare tactics and distortions made by opponents of Prop. 24 illustrate how desperate these multi-state corporations and their CEOs are to take advantage of these additional tax breaks while ordinary Californians foot the bill.

Prop. 24 would prevent:

- 6 multi-state corporations from receiving new tax cuts averaging \$23.5 million each in 2013–14.
- 87% of the benefits from one tax break to go to 0.03% of California corporations. They have gross incomes over \$1 billion.

A YES vote on Prop. 24 ends these unfair new tax breaks before

they can take effect. That's Tax Fairness!

Make no mistake. A Yes vote *will not* raise ordinary Californians' taxes. A Yes vote *will not* cut jobs. A Yes vote *will not* hurt small businesses.

A Yes vote *will* stop unfair tax breaks that would go to some of the largest corporations in the nation, whose greed knows no end. That's why 12 wealthy, multi-billion dollar corporations have already contributed \$100,000 each to defeat Prop. 24. They want more tax breaks they don't have now.

That's why you should vote YES on Prop. 24.

ROB KERTH, President

North Sacramento Chamber of Commerce

MARTIN HITTLEMAN, President

California Federation of Teachers

HANK LACAYO, President

Congress of California Seniors