

QUICK-REFERENCE GUIDE

PROP 38 TAX TO FUND EDUCATION AND EARLY CHILDHOOD PROGRAMS. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Increases taxes on earnings using sliding scale, for twelve years. Revenues go to K–12 schools and early childhood programs, and for four years to repaying state debt. Fiscal Impact: Increased state tax revenues for 12 years—roughly \$10 billion annually in initial years, tending to grow over time. Funds used for schools, child care, and preschool, as well as providing savings on state debt payments.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: State personal income tax rates would increase for 12 years. The additional revenues would be used for schools, child care, preschool, and state debt payments.

NO A NO vote on this measure means: State personal income tax rates would remain at their current levels. No additional funding would be available for schools, child care, preschool, and state debt payments.

ARGUMENTS

PRO 38 makes schools a priority again. It guarantees new funding per pupil direct to every local public school site to restore budget cuts and improve educational results. 38 prohibits Sacramento politicians from touching the money. Spending decisions are made locally with community input and strong accountability requirements, including independent audits.

CON No on 38: If you earn \$17,346 per year in taxable income, your taxes increase. Total of \$120 BILLION in higher taxes. No requirements to improve student performance. Can't be changed for 12 years even for fraud. Damages small business. Kills jobs. Educators, taxpayers and businesses say No on 38.

FOR ADDITIONAL INFORMATION

FOR
Yes on Prop. 38
(323) 426-6263
info@prop38forlocalschools.org
www.prop38forlocalschools.org

AGAINST
Jason Kinney
Stop the Middle-Class Income
Tax Hike—No on Prop. 38
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PROP 39 TAX TREATMENT FOR MULTISTATE BUSINESSES. CLEAN ENERGY AND ENERGY EFFICIENCY FUNDING. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Requires multistate businesses to pay income taxes based on percentage of their sales in California. Dedicates revenues for five years to clean/efficient energy projects. Fiscal Impact: Increased state revenues of \$1 billion annually, with half of the revenues over the next five years spent on energy efficiency projects. Of the remaining revenues, a significant portion likely would be spent on schools.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Multistate businesses would no longer be able to choose the method for determining their state taxable income that is most advantageous for them. Some multistate businesses would have to pay more corporate income taxes due to this change. About half of this increased tax revenue over the next five years would be used to support energy efficiency and alternative energy projects.

NO A NO vote on this measure means: Most multistate businesses would continue to be able to choose one of two methods to determine their California taxable income.

ARGUMENTS

PRO YES on 39 CLOSES UNFAIR TAX LOOPHOLE letting OUT-OF-STATE CORPORATIONS avoid taxes by keeping jobs out of California. Closing the loophole protects local jobs and provides \$1 BILLION to California. Funds used for job-creating energy efficiency projects at schools and for deficit reduction. YES on 39—CLOSE THE LOOPHOLE.

CON Proposition 39 is a massive \$1 billion tax increase on California job creators that employ tens of thousands of middle class workers. It's a recipe for waste and corruption, giving Sacramento politicians a blank check to spend billions without real accountability. California is billions in debt; 39 makes it worse.

FOR ADDITIONAL INFORMATION

FOR
Yes on 39—Californians to Close
the Out-of-State Corporate Tax
Loophole
www.cleanenergyjobsact.com

AGAINST
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