

FLOOR ALERT

SB 468 – OPPOSE UNLESS AMENDED



The California Taxpayers Association is a nonpartisan, nonprofit association formed to support good tax policy, oppose unnecessary taxes and promote government efficiency. Established in 1926, CalTax is the oldest and largest group representing California taxpayers.

OPPOSE UNLESS AMENDED

Date: September 11, 2019
To: Members, California State Senate
From: Therese Twomey, CalTax Director of State Tax Affairs

Subject: OPPOSE UNLESS AMENDED, SB 468 (Jackson), as amended on September 3, 2019

The listed organizations are writing in opposition to SB 468. While recent amendments improve the bill, several major concerns previously raised by the listed organizations remain unaddressed, and we continue to oppose SB 468. Specifically, we are concerned that this measure would create an unnecessary new bureaucracy in state government to report findings related to “tax expenditures” based on subjective evaluation metrics that could prejudice the outcomes and recommendations submitted to the Legislature.

We requested that the bill’s evaluation criteria be modified to include more comprehensive metrics that examine the “multiplier” effects on state revenue from business investment/jobs and the reduction in public assistance spending due to greater employment – critical components of similar evaluations conducted by other states. However, such changes have not been forthcoming, and the bill’s seemingly one-sided emphasis on measuring revenue decreases will yield a report that does not fully nor accurately assess the economic impact of tax incentives.

The creation of a new state body to act as an interpretive intermediary to communicate report findings to the Legislature is unnecessary and duplicative of functions currently performed by the Department of Finance, the Legislative Analyst’s Office, the State Auditor, the Franchise Tax Board, the California Department of Tax and Fee Administration and others. Reports and findings commissioned by the Legislature ought to be submitted directly to the Legislature, without any intermediary.

While it is meritorious for the state to consider the effectiveness of tax policies and program expenditures, this measure would create significant uncertainty with respect to the future of the state's tax structure, and would adversely affect California’s ability to retain and attract investment. The threat of repeal of tax incentives, in light of our state’s already high cost of doing business, poses a significant barrier to jobs, investment and the state’s long-term economy.

For the foregoing reasons, the signatories below respectfully oppose this legislation.

Sincerely,

California Taxpayers Association
Advanced Medical Technology Association
(AdvaMed)
African American Farmers of California
Airlines for America
American Pistachio Growers
Association of California Life and Health
Insurance Companies
Bay Area Council
Biocom

Building Owners and Managers Association
of California
California Agricultural Aircraft Association
California Bankers Association
California Business Properties Association
California Business Roundtable
California Chamber of Commerce
California Cotton Ginners and Growers
Association
California Farm Bureau Federation

SB 468 – OPPOSE UNLESS AMENDED

California Forestry Association
California Hotel & Lodging Association
California Independent Petroleum
Association
California League of Food Producers
California Life Sciences Association
California Railroads
California Trucking Association
Camarillo Chamber of Commerce
Chambers of Commerce Alliance of Ventura
& Santa Barbara Counties
CompTIA
Contra Costa County Taxpayers
Association
Council on State Taxation
Family Business Association of California
Farwest Equipment Dealers Association
International Council of Shopping Centers
Kern County Taxpayers Association
Maersk Inc.
NAIOP of California
National Federation of Independent
Business
Nisei Farmers League

North Orange County Chamber
Orange County Business Council
Orange County Taxpayers Association
Oxnard Chamber of Commerce
Plant California Alliance
Qualcomm
San Gabriel Valley Economic Partnership
Santa Maria Valley Chamber of Commerce
Silicon Valley Leadership Group
Solano County Taxpayers Association
Sutter County Taxpayers Association
TechNet
Valley Industry and Commerce Association
West Coast Lumber & Building Material
Association
Western Agricultural Processors
Association
Western Growers Association
Western Manufactured Housing
Communities Association
Western Plant Health Association
Western States Petroleum Association
Wine Institute

cc: Mr. Che Salinas, Chief Deputy Legislative Secretary, Office of Governor Gavin Newsom