

Re: Request for the Preparation of a Circulating Title and Summary

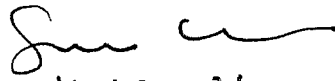
To: The Attorney General of California

We, Suneal Kolluri, Richard Boettner, and Kara Duros, proponents of the enclosed proposed initiative measure, make a formal request of the Attorney General of California to prepare a circulating title and summary of the chief purpose and points of the proposed measure.

Sincerely,

Suneal Kolluri

suneal@gmail.com



11-18-11

Richard Boettner

richlizalex@sbcglobal.net



11-18-11

Kara Duros

karaac@gmail.com



11/18/11

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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

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

(Here set forth the title and summary prepared by the Attorney General. This title and summary must also be printed across the top of each page of the petition whereon signatures are to appear.)

TO THE HONORABLE SECRETARY OF STATE OF CALIFORNIA

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We, the undersigned, registered, qualified voters of California, residents of _____ County (or City and County), hereby propose amendments to the Constitution of the State, the Education Code, and the Revenue and Taxation Code, relating to postsecondary education, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next statewide primary or general election or at any special statewide election held prior to that statewide primary or general election or otherwise provided by law. The proposed constitutional and statutory amendments (full title and text of measure) read as follows:

SECTION 1. Section 10 is added to Article IX of the California Constitution, to read:

SEC. 10. (a) A resident of California enrolled as a full-time undergraduate student at the University of California is not required to pay mandatory systemwide tuition or fees for a period of four continuous academic years provided that, each academic year, he or she (1) maintains a cumulative grade point average of 2.7 or higher based upon a 4.0 scale, or (2) performs 70 hours of community service as defined by the Regents of the University of California.

(b) An amount equal to the amount of the mandatory systemwide resident tuition or fees that would otherwise be annually collected by the University of California in the absence of subdivision (a) shall annually be transferred to the university pursuant to Section 66017.7 of the Education Code.

SEC. 2. Section 66017.5 is added to the Education Code, to read:

66017.5. (a) Notwithstanding Chapter 6 (commencing with Section 89700) of Part 55 of Division 8, a resident of California enrolled as a full-time undergraduate student with the California State University is not required to pay mandatory systemwide tuition or fees for a period of four continuous academic years provided that, each academic year, he or she (1) maintains a cumulative grade point average of 2.7 or higher based upon a 4.0 scale, or (2) performs 70 hours of community service as defined by the Trustees of the California State University.

(b) An amount equal to the amount of the mandatory systemwide resident tuition or fees that would otherwise be collected by the California State University in the

absence of subdivision (a) shall be annually transferred to the university pursuant to Section 66017.7.

SEC. 3. Section 66017.7 is added to the Education Code, to read:

66017.7. (a) There is in the State Treasury the Public Postsecondary Tuition Fund. The revenues attributable to the amendments made to Section 17041 of the Revenue and Taxation Code by the measure adding this section, less refunds and costs of administration, shall be deposited in the fund on a monthly basis.

(b) Notwithstanding Section 13340 of the Government Code, all moneys in the Public Postsecondary Tuition Fund are hereby continuously appropriated, without regard to fiscal years, to the Controller for allocation to the University of California and the California State University in an amount equal to the respective mandatory systemwide resident tuition or fees that are not collected by the University of California by operation of Section 10 of Article IX of the California Constitution and the California State University pursuant to Section 66017.5.

SEC. 4. Section 17041 of the Revenue and Taxation Code is amended to read:

17041. (a) (1) There shall be imposed for each taxable year upon the entire taxable income of every resident of this state who is not a part-year resident, except the head of a household as defined in Section 17042, taxes in the following amounts and at the following rates upon the amount of taxable income computed for the taxable year as if the resident were a resident of this state for the entire taxable year and for all prior taxable years for any carryover items, deferred income, suspended losses, or suspended deductions:

If the taxable income is:	The tax is:
Not over \$3,650.....	1% of the taxable income

Over \$3,650 but not	
	\$36.50 plus 2% of the excess
over \$8,650.....	over \$3,650
Over \$8,650 but not	
	\$136.50 plus 4% of the excess
over \$13,650.....	over \$8,650
Over \$13,650 but not	
	\$336.50 plus 6% of the excess
over \$18,950.....	over \$13,650
Over \$18,950 but not	
	\$654.50 plus 8% of the excess
over \$23,950.....	over \$18,950
Over \$23,950.....	\$1,054.50 plus 9.3% of the excess
	over \$23,950

(2) For taxable years beginning on or after January 1, 2009, and before January 1, 2011, the percentages specified in the table in paragraph (1) shall be increased by adding 0.25 percent to each percentage.

(3) (A) For each taxable year beginning on or after January 1, 2013, the income tax brackets and rates set forth in paragraph (1) shall be modified by each of the following:

(i) For that portion of taxable income that is greater than two hundred fifty thousand dollars (\$250,000) but equal to or less than five hundred thousand dollars (\$500,000), the tax rate is 10 percent of the amount that is in excess of two hundred fifty thousand dollars (\$250,000).

(ii) For that portion of taxable income that is greater than five hundred thousand dollars (\$500,000), the tax rate is 11 percent of the amount that is in excess of five hundred thousand dollars (\$500,000).

(B) The income tax brackets specified in this paragraph shall be recomputed, as otherwise provided in subdivision (h), only for taxable years beginning on or after January 1, 2014.

(b) (1) There shall be imposed for each taxable year upon the taxable income of every nonresident or part-year resident, except the head of a household as defined in Section 17042, a tax as calculated in paragraph (2).

(2) The tax imposed under paragraph (1) shall be calculated by multiplying the “taxable income of a nonresident or part-year resident,” as defined in subdivision (i), by a rate (expressed as a percentage) equal to the tax computed under subdivision (a) on the entire taxable income of the nonresident or part-year resident as if the nonresident or part-year resident were a resident of this state for the taxable year and as if the nonresident or part-year resident were a resident of this state for all prior taxable years for any carryover items, deferred income, suspended losses, or suspended deductions, divided by the amount of that income.

(c) (1) There shall be imposed for each taxable year upon the entire taxable income of every resident of this state who is not a part-year resident for that taxable year, when the resident is the head of a household, as defined in Section 17042, taxes in the following amounts and at the following rates upon the amount of taxable income computed for the taxable year as if the resident were a resident of the state for the entire taxable year and for all prior taxable years for carryover items, deferred income, suspended losses, or suspended deductions:

If the taxable income is:	The tax is:
Not over \$7,300.....	1% of the taxable income

Over \$7,300 but not	
over \$17,300.....	\$73 plus 2% of the excess over \$7,300
Over \$17,300 but not	
over \$22,300.....	\$273 plus 4% of the excess over \$17,300
Over \$22,300 but not	
over \$27,600.....	\$473 plus 6% of the excess over \$22,300
Over \$27,600 but not	
over \$32,600.....	\$791 plus 8% of the excess over \$27,600
Over \$32,600.....	\$1,191 plus 9.3% of the excess over \$32,600

(2) For taxable years beginning on or after January 1, 2009, and before January 1, 2011, the percentages specified in the table in paragraph (1) shall be increased by adding 0.25 percent to each percentage.

(3) (A) For each taxable year beginning on or after January 1, 2013, the income tax brackets and rates set forth in paragraph (1) shall be modified by each of the following:

(i) For that portion of taxable income that is greater than three hundred forty-two thousand four hundred sixty-five dollars (\$342,465) but equal to or less than six hundred eighty-four thousand nine hundred thirty dollars (\$684,930), the tax rate is 10 percent of the amount that is in excess of three hundred forty-two thousand four hundred sixty-five dollars (\$342,465).

(ii) For that portion of taxable income that is greater than six hundred eighty-four thousand nine hundred thirty dollars (\$684,930), the tax rate is 11 percent of the amount that is in excess of six hundred eighty-four thousand nine hundred thirty dollars (\$684,930).

(B) The income tax brackets specified in this paragraph shall be recomputed, as otherwise provided in subdivision (h), only for taxable years beginning on or after January 1, 2014.

(d) (1) There shall be imposed for each taxable year upon the taxable income of every nonresident or part-year resident when the nonresident or part-year resident is the head of a household, as defined in Section 17042, a tax as calculated in paragraph (2).

(2) The tax imposed under paragraph (1) shall be calculated by multiplying the "taxable income of a nonresident or part-year resident," as defined in subdivision (i), by a rate (expressed as a percentage) equal to the tax computed under subdivision (c) on the entire taxable income of the nonresident or part-year resident as if the nonresident or part-year resident were a resident of this state for the taxable year and as if the nonresident or part-year resident were a resident of this state for all prior taxable years for any carryover items, deferred income, suspended losses, or suspended deductions, divided by the amount of that income.

(e) There shall be imposed for each taxable year upon the taxable income of every estate, trust, or common trust fund taxes equal to the amount computed under subdivision (a) for an individual having the same amount of taxable income.

(f) The tax imposed by this part is not a surtax.

(g) (1) Section 1(g) of the Internal Revenue Code, relating to certain unearned income of children taxed as if parent's income, shall apply, except as otherwise provided.

(2) Section 1(g)(7)(B)(ii)(II) of the Internal Revenue Code is modified, for purposes of this part, by substituting "1 percent" for "10 percent."

(h) For each taxable year beginning on or after January 1, 1988, the Franchise Tax Board shall recompute the income tax brackets prescribed in subdivisions (a) and (c). That computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of the prior calendar year to June of the current calendar year, no later than August 1 of the current calendar year.

(2) The Franchise Tax Board shall do both of the following:

(A) Compute an inflation adjustment factor by adding 100 percent to the percentage change figure that is furnished pursuant to paragraph (1) and dividing the result by 100.

(B) Multiply the preceding taxable year income tax brackets by the inflation adjustment factor determined in subparagraph (A) and round off the resulting products to the nearest one dollar (\$1).

(i) (1) For purposes of this part, the term "taxable income of a nonresident or part-year resident" includes each of the following:

(A) For any part of the taxable year during which the taxpayer was a resident of this state (as defined by Section 17014), all items of gross income and all deductions, regardless of source.

(B) For any part of the taxable year during which the taxpayer was not a resident of this state, gross income and deductions derived from sources within this state,

determined in accordance with Article 9 of Chapter 3 (commencing with Section 17301) and Chapter 11 (commencing with Section 17951).

(2) For purposes of computing “taxable income of a nonresident or part-year resident” under paragraph (1), the amount of any net operating loss sustained in any taxable year during any part of which the taxpayer was not a resident of this state shall be limited to the sum of the following:

(A) The amount of the loss attributable to the part of the taxable year in which the taxpayer was a resident.

(B) The amount of the loss which, during the part of the taxable year the taxpayer is not a resident, is attributable to California source income and deductions allowable in arriving at taxable income of a nonresident or part-year resident.

(3) For purposes of computing “taxable income of a nonresident or part-year resident” under paragraph (1), any carryover items, deferred income, suspended losses, or suspended deductions shall only be includable or allowable to the extent that the carryover item, deferred income, suspended loss, or suspended deduction was derived from sources within this state, calculated as if the nonresident or part-year resident, for the portion of the year he or she was a nonresident, had been a nonresident for all prior years.

SEC. 5. Section 19602 of the Revenue and Taxation Code is amended to read:

19602. Except for amounts collected or accrued under Sections 17935, 17941, 17948, 19532, and 19561, and revenues deposited pursuant to Section 19602.5 and Section 66017.7 of the Education Code, all moneys and remittances received by the Franchise Tax Board as amounts imposed under Part 10 (commencing with Section

17001), and related penalties, additions to tax, and interest imposed under this part, shall be deposited, after clearance of remittances, in the State Treasury and credited to the Personal Income Tax Fund.

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