

Date: December 16, 2009
Initiative 09-0051 (Amdt. #1-S.)

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

CHANGES CALIFORNIA'S INCOME AND PROPERTY TAX LAWS. INITIATIVE

CONSTITUTIONAL AMENDMENT. Repeals the two-thirds vote requirements to raise state or local taxes. Repeals Proposition 13's caps on property taxes. Excludes first \$150,000 of personal income from taxation. Imposes maximum 8% marginal tax rate on personal income above \$150,000. Allows taxpayers to take a credit against personal income taxes for property taxes paid in the same year. Imposes taxes on land having rental value. Summary of estimate by

Legislative Analyst and Director of Finance of fiscal impact on state and local government:

Replaces virtually all existing state and local tax revenues (about \$170 billion) with a roughly equivalent amount from a new land tax and other taxes. Major revenue gains or losses could result depending on how the measure is implemented by the state. (09-0051.)