

Date: June 16, 2009
Initiative No.: 09-0009

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

TAX ON EMPLOYERS WHO COLLECT LIFE-INSURANCE BENEFITS UPON THE DEATH OF FORMER EMPLOYEES. INITIATIVE STATUTE. Establishes that life

insurance proceeds received by an employer upon the death of a former or retired employee will

be considered taxable gross income when the employer lacks an “insurable interest” in the

employee. Exempts employers who are charitable organizations. Summary of estimate by

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

State revenue increases of up to several millions of dollars from higher business income taxes in

some years. (09-0009.)