

Date: February 1, 2010
Initiative 09-0095

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

IMPOSES WEALTH TAX. INITIATIVE CONSTITUTIONAL AMENDMENT AND

STATUTE. Imposes one-time tax of 55% on certain real and personal property in California exceeding \$15 million if single, \$20 million if married. Imposes one-time tax of up to 54.3% on income exceeding \$5 million when resident dies or leaves California. Imposes additional 17.5% tax on total incomes exceeding \$150,000 if single, \$250,000 if married; 35% if incomes exceed \$350,000 if single, \$500,000 if married. Creates tax credits. Requires State to acquire shares of specified corporations for purposes of influencing environmental practices. May exempt new revenues from education funding requirements. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **One-time increase in state revenues potentially in the low hundreds of billions of dollars from imposition of a wealth tax, and ongoing increase in state revenues potentially in the tens of billions of dollars from imposition of the tax on certain people dying or leaving the state and from the higher personal income tax rate on upper-income taxpayers. Of the increased revenues, \$25 billion during each of the first three years and \$10 billion a year thereafter would go to state general purpose funding. Remaining revenue would be allocated to accomplish various goals including purchasing the common stock of various weapons, petroleum, automotive, media and financial companies. Unknown state and local revenue reductions—potentially in the tens of billions of dollars annually—due to changes in taxpayer behavior. (09-0095.)**