

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

TAX TO FUND EDUCATION, HEALTHCARE, AND CHILD DEVELOPMENT.

INITIATIVE CONSTITUTIONAL AMENDMENT. Permanently establishes the temporary personal income tax increases enacted in 2012 for annual earnings over \$290,000, currently set to expire in 2018. Imposes new personal income tax on annual earnings over \$1 million.

Allocates these tax revenues 50% to K-12 education, community colleges, and universities; 40% to healthcare for low-income individuals; and 10% to childcare and child development programs.

Excludes these revenues from Proposition 98 funding requirements. Establishes a reserve fund, capped at 20% of the annual revenues, for use during state budget emergencies. Requires annual

audit of expenditures. Summary of estimate by Legislative Analyst and Director of Finance of

fiscal impact on state and local government: **Increased state revenues annually beginning in 2019—likely in the \$7 billion to \$15 billion range initially—with amounts varying based on stock market and economic trends. These revenues generally would be spent on education and health programs, with a small portion deposited annually to a reserve fund. (15-0070.)**