



NEWS

AMERICANS FOR TAX REFORM

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Americans for Tax Reform Opposes California Tax that Hurts Small Businesses

Initiative represents another tax and risks job loss

Washington, D.C.—In California, an initiative to raise taxes has qualified for the November 2, 2004 ballot, according to California Secretary of State Kevin Shelley. If passed, the initiative would require an additional 1% tax on taxable income over \$1 million.

This additional 1% would bring the state tax rate to over 10% for those earning \$1 million. Because more than two-thirds of top bracket filers are small business owners, the “millionaire tax” is really a small business tax. A tax on the small business owner is also a tax on the working family because it could result in a loss of jobs.

According to the Small Business Administration, 75% of all new jobs are created by small businesses. In addition, small businesses comprise 36% of employment.

“More taxes will cripple small businesses and cause a loss of jobs,” said Grover Norquist, President of *Americans for Tax Reform*. **“I thought California was working to build their economy by encouraging job growth, not stifle the job market with more taxes.”**

The proponents of the initiative claim that the additional funding is needed to expand mental health programs in counties across the state.

“Funding mental health care is a feel-good excuse to increase spending. Out of control spending and excessive taxes is how the California economy plummeted in the first place. Why send more jobs out of the state by taxing them out of existence?” continued Norquist.

Americans for Tax Reform (ATR) is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal, state and local tax increases. For more information or to arrange an interview, please contact Jonathan Collegio at (202) 785-0266 or at jcollegio@atr.org.