



NEWS

AMERICANS FOR TAX REFORM

1920 L Street, NW • Suite 200 • Washington, DC 20036
202.785.0266 • Fax 202.785.0261

WWW.ATR.ORG

FOR IMMEDIATE RELEASE
28 SEPTEMBER, 2004

CONTACT: Scott LaGanga
Elizabeth Karas
202-785-0266

Fatal “Cure” for California’s Ailing Health Care System

-California Proposition 67 Diagnosis: Phone Tax is the Wrong Prescription.

Washington D.C. – Special interests in California are pushing a proposition that would impose an unnecessary tax increase on cellular, business, and residential phones.

Citizens in California will face a deceptive proposition on Election Day. Under the guise of saving the 911 Emergency System, Proposition 67 would increase the telephone tax 400 percent with less than 1 percent of the revenue actually being directed towards the 911 system. Additionally, the measure seeks to increase funding for emergency care without dedicating funds for that specific use. This is ultimately a recipe for fraud, waste, and abuse.

“Special interests looking to feed off government revenues are trying to convince taxpayers that they need their wallets removed,” said taxpayer advocate Grover Norquist, president of Americans for Tax Reform. **“Small businesses, taxpayers, and senior citizens will be hit hard by the new tax and yet this proposal will not remedy the 911 system and emergency care in California.”**

Supporters of the measure continue to claim this initiative is needed to rescue the 911 system despite the fact that so little of the money would actually be allocated for that purpose. According to the Analysis of “The 911 Emergency and Trauma Care Act,” Legislative Analyst’s Office Report, only .75% of the increased phone tax would actually be used for the 911 system. In comparison, 3.75% would go to the Firefighter’s Union, 5% would go to Community Clinics, and the remaining 90.5% would be added to the coffers of hospitals and doctors.

“Voters should not be fooled by the doom and gloom world-is-ending-rhetoric of the special interests,” continued Norquist. **“California’s government is larger than most nations and it is riddled with waste and abuse. You can have a 911 system and low taxes by cutting out the waste. Passage of Proposition 67 will actually be higher taxes and no real improvement to the system itself.”**

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 Chris Butler at (202) 785-0266 or at cbutler@atr.org.