



AMERICANS
for TAX REFORM

Grover G. Norquist
President

January 16, 2008

Dear legislator,

In light of the upcoming budget debate, I write to urge you to stand on the side of taxpayers and resist any call for higher taxes. As the governor and members of the Assembly and Senate have publicly stated, the state's overspending problem may be addressed without raising taxes on Californians.

Despite Governor Schwarzenegger and Pledge signers' efforts to seek spending reform measures to ensure that Californians will not be subject to tax hikes, interest groups have already begun calling for higher taxes. Specifically, a tax hike on alcoholic beverages may be on the table in coming weeks.

Imposing a higher tax on alcohol or similar products sends a message to taxpayers that government regulators are more adept than they at making choices of what and how to consume. It is not only a matter of increasing tax burden, it is also a matter of using the threat of higher taxes to reduce personal liberty. Given the state's current fiscal situation, now is the time for the state government to seek reform, not increase its scope.

Additionally, Californians are already facing a steep incline in the price of alcoholic beverages, specifically, flavored malt beverages (FMBs). A decision made by the California Board of Equalization in November sets California up for a stealth tax increase on FMBs by 1,000 percent. This increase alone would hurt small businesses and place an additional burden on taxpayers. Raising the alcohol tax across the board would only add to the damage.

According to a study by Americans for Tax Reform Foundation, Californians worked 200 days to pay off their share of the total cost of government spending and regulation last year. In the 2007 study, California placed 44th of the 50 states. Taxpayers cannot afford for their tax burden to get any heavier.

As the debate heats up, I urge you to continue standing on the side of taxpayers and reject all calls for tax increases and enact true spending reform instead. In light of California's \$14.5 billion overspending problem, taxpayers are depending on you to tighten the state's fiscal belt rather than look to increase taxpayer burden as a bailout.

ATR stands ready to assist you in the fight against higher taxes. Please do not hesitate to call on me, or contact our state team, Karri Bragg or Sandra Fabry at 202-785-0266.

Onward,



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