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California Democrats Unveil Tax Bonanza

State GOP pledges to stand up for taxpayers in opposition to tax-hike laden budget

WASHINGTON D.C– The California Budget Conference Committee completed negotiations on Tuesday, sending a budget proposal to the Assembly floor that amounts to a \$9.7 billion tax hike on Californians. Already 10 days into the new fiscal year, and facing \$15.2 billion in over-spending, Golden State lawmakers have yet to finalize a budget.

The Democrat proposal includes a myriad of tax increases, including two new top income tax brackets of 10 and 11 percent, an increase in the franchise tax, elimination of the net operating loss deduction for employers, and a reduction in child income tax credits.

“It’s appalling that when it comes to getting the state’s financial house in order, the only options put on the table by the Democrat leadership are tax hikes,” said Grover Norquist, president of Americans for Tax Reform. **“The state of California is not facing a revenue problem, but rather a spending problem. Lawmakers have increased spending over 42 percent during the past 5 years while population has only gone up approximately 8 percent during that same time period.”**

A 2/3 majority vote is needed to pass the budget and any tax increases in California, requiring Republican approval to reach an agreement. All Republican legislators, save one, have made a pledge to their constituents to oppose any and all efforts to increase taxes and GOP lawmakers have made clear they will continue to hold the line in opposition to this budget proposal.

“California politicians need to stop looking at their constituents as a bottomless money pit, prioritize spending, and live within their means just as California families have to do.” added Grover Norquist. **“California already has some of the highest corporate and income tax rates in the country. The proposed budget would wreak havoc on the state’s economy; driving businesses, jobs, investment, and taxpayers from the state. If it passes, we’ll see plenty of moving trucks headed to Nevada and Washington, both of which have no income tax at all.”**