



TAX AND FEE REPORT

Major Taxes and Fees Introduced in the California Legislature

Vol. VII, No. 3
October 1, 2020



\$82.8 BILLION

Since the Legislature returned on January 6 for the final year of the 2019-20 session, California lawmakers considered increasing annual taxes and fees by more than \$82.8 billion.

INTRODUCTION

California experienced one of the worst economic collapses since the Great Depression in 2020. Millions of Californians in every community across the state became unemployed overnight after health officials ordered businesses to close in an effort to limit the spread of COVID-19. The global pandemic changed how Californians live their daily lives, consumer spending patterns, and the overall economic outlook for the state. Facing a \$54.3 billion budget deficit (the difference between projected revenue and spending if no changes were made), California lawmakers responded by proposing \$82.8 billion in new taxes and fees.

These tax and fees would make California less affordable and create additional disincentives for businesses to rehire when the pandemic is concluded. Among the proposals: AB 85, which taxes struggling businesses when they begin to recover; AB 398, which proposed taxing businesses when they rehire workers; and AB 1659, which proposed taxing certain electricity users.

LAWMAKERS WHO SUPPORTED THE HIGHEST AMOUNT OF TAXES AND FEES

<p>Assembly Member Evan Low (D-Cupertino) \$57,733,826,000</p>	<p>Assembly Member Ash Kalra (D-San Jose) \$18,798,826,000</p>
<p>Assembly Member Kansen Chu (D-Milpitas) \$20,853,538,000</p>	<p>Assembly Member Mark Stone (D-Santa Cruz) \$18,798,826,000</p>
<p>Senator Nancy Skinner (D-Oakland) \$20,711,226,000</p>	<p>Assembly Member Reginald Jones-Sawyer (D-Los Angeles) \$18,743,826,000</p>
<p>Assembly Member Buffy Wicks (D-Oakland) \$20,156,400,000</p>	<p>Assembly Member Miguel Santiago (D-Los Angeles) \$18,743,826,000</p>
<p>Assembly Member Philip Ting (D-San Francisco) \$19,684,626,000</p>	<p>Senator Maria Elena Durazo (D-Los Angeles) \$18,742,826,000</p>
<p>Senator Lena Gonzalez (D-Long Beach) \$19,645,226,000</p>	<p>Senator Scott Wiener (D-San Francisco) \$13,701,626,000</p>
<p>Assembly Member David Chiu (D-San Francisco) \$19,092,400,000</p>	<p>Assembly Member Richard Bloom (D-Santa Monica) \$9,601,226,000</p>
<p>Assembly Member Rob Bonta (D-Oakland) \$18,864,826,000</p>	<p>Senator Benjamin Allen (D-Redondo Beach) \$7,436,626,000</p>
<p>Assembly Member Wendy Carrillo (D-Los Angeles) \$18,864,826,000</p>	<p>Senator Bob Wieckowski (D-Fremont) \$6,945,226,000</p>
<p>Assembly Member Lorena Gonzalez (D-San Diego) \$18,798,826,000</p>	<p>Senator Robert Hertzberg (D-Van Nuys) \$6,902,626,000</p>

TOTAL TAXES AND FEES SUPPORTED BY SENATORS

Benjamin Allen (D-Redondo Beach) — \$7,436,626,000	Hannah-Beth Jackson (D-Santa Barbara) — \$5,346,226,000
Bob Archuleta (D-Norwalk) — \$5,345,226,000	Brian Jones (R-El Cajon) — \$1,000,000
Toni Atkins (D-San Diego) — \$5,345,226,000	Connie Leyva (D-San Bernardino) — \$4,442,826,000
Patricia Bates (R-Laguna Hills) — \$2,000,000	Mike McGuire (D-Santa Rosa) — \$6,901,626,000
Jim Beall (D-Campbell) — \$6,835,626,000	Melissa Melendez (R-Murrieta) — \$2,000,000
Andreas Borgeas (R-Oakdale) — \$3,000,000	Holly Mitchell (D-Los Angeles) — \$5,345,226,000
Steven Bradford (D-Inglewood) — \$5,411,226,000	Bill Monning (D-Santa Cruz) — \$5,346,226,000
Anna Caballero (D-Merced) — \$4,422,400,000	John Moorlach (R-Costa Mesa) — \$2,000,000
Ling Ling Chang (R-Brea) — \$2,000,000	Mike Morrell (R-Rancho Cucamonga) — \$2,000,000
Brian Dahle (R-Redding) — \$2,000,000	Jim Nielsen (R-Roseville) — \$2,000,000
Bill Dodd (D-Vacaville) — \$5,412,226,000	Richard Pan (D-Sacramento) — \$4,421,400,000
Maria Elena Durazo (D-Los Angeles) — \$18,742,826,000	Anthony Portantino (D-Glendale) — \$5,345,226,000
Cathleen Galgiani (D-Stockton) — \$4,432,826,000	Richard Roth (D-Riverside) — \$4,442,826,000
Steve Glazer (D-Antioch) — \$4,421,400,000	Susan Rubio (D-West Covina) — \$4,498,826,000
Lena Gonzalez (D-Long Beach) — \$19,645,226,000	Nancy Skinner (D-Oakland) — \$20,711,226,000
Sharon Grove (R-Bakersfield) — \$2,000,000	Henry Stern (D-Calabasas) — \$5,346,226,000
Robert Hertzberg (D-Van Nuys) — \$6,902,626,000	Thomas Umberg (D-Santa Ana) — \$31,400,000
Jerry Hill (D-San Mateo) — \$5,412,426,000	Bob Wieckowski (D-Fremont) — \$6,945,226,000
Ben Hueso (D-Chula Vista) — \$4,509,826,000	Scott Wiener (D-San Francisco) — \$13,701,626,000
Melissa Hurtado (D-Fresno) — \$935,226,000	Scott Wilk (R-Lancaster) — \$2,000,000

TOTAL TAXES AND FEES SUPPORTED BY ASSEMBLY MEMBERS

Cecilia Aguiar-Curry (D-Davis) — \$5,390,800,000

Joaquin Arambula (D-Fresno) — \$4,433,826,000

Rebecca Bauer-Kahan (D-San Ramon) — \$4,498,826,000

Marc Berman (D-Los Altos) — \$5,346,226,000

Franklin Bigelow (R-Sutter Creek) — \$3,000,000

Richard Bloom (D-Santa Monica) — \$9,601,226,000

Tasha Boerner Horvath (D-Carlsbad) — \$31,400,000

Rob Bonta (D-Oakland) — \$18,864,826,000

William Brough (R-San Juan Capistrano) — \$3,000,000

Autumn Burke (D-Inglewood) — \$4,499,826,000

Ian Calderon (D-City of Industry) — \$4,498,826,000

Wendy Carrillo (D-Los Angeles) — \$18,864,826,000

Sabrina Cervantes (D-Corona) — \$21,400,000

Ed Chau (D-Monterey Park) — \$4,498,826,000

Phillip Chen (R-Brea) — \$3,000,000

David Chiu (D-San Francisco) — \$19,092,400,000

Steven Choi (R-Irvine) — \$0

Kansen Chu (D-Milpitas) — \$20,853,538,000

Ken Cooley (D-Rancho Cordova) — \$5,346,226,000

Jim Cooper (D-Elk Grove) — \$4,433,826,000

Jordan Cunningham (R-San Luis Obispo) — \$22,400,000

Megan Dahle (R-Redding) — \$3,000,000

Tom Daly (D-Anaheim) — \$5,336,226,000

Tyler Diep (R-Huntington Beach) — \$22,400,000

Susan Eggman (D-Stockton) — \$4,522,000,000

Heath Flora (R-Ripon) — \$52,826,000

Vince Fong (R-Bakersfield) — \$3,000,000

Jim Frazier (D-Fairfield) — \$4,401,000,000

Laura Friedman (D-Burbank) — \$5,401,226,000

Jesse Gabriel (D-Van Nuys) — \$4,487,400,000

James Gallagher (R-Chico) — \$3,000,000

Cristina Garcia (D-Downey) — \$4,554,826,000

Eduardo Garcia (D-Coachella) — \$5,457,226,000

Mike Gipson (D-Gardena) — \$5,336,226,000

Todd Gloria (D-San Diego) — \$4,443,826,000

Lorena Gonzalez (D-San Diego) — \$18,798,826,000

Adam Gray (D-Merced) — \$4,460,800,000

Timothy Grayson (D-Concord) — \$4,422,400,000

Chris Holden (D-Pasadena) — \$4,488,826,000

Jacqui Irwin (D-Camarillo) — \$5,390,800,000

TOTAL TAXES AND FEES SUPPORTED BY ASSEMBLY MEMBERS

Reginald Jones-Sawyer (D-Los Angeles) — \$18,743,826,000	Bill Quirk (D-Hayward) — \$4,553,826,000
Ash Kalra (D-San Jose) — \$18,798,826,000	Sharon Quirk-Silva (D-Fullerton) — \$5,390,800,000
Sydney Kamlager (D-Culver City) — \$5,384,626,000	James Ramos (D-Rancho Cucamonga) — \$4,422,400,000
Kevin Kiley (R-Granite Bay) — \$3,000,000	Anthony Rendon (D-Lakewood) — \$4,443,826,000
Tom Lackey (R-Palmdale) — \$3,000,000	Eloise Gómez Reyes (D-San Bernardino) — \$4,509,826,000
Marc Levine (D-San Rafael) — \$5,346,226,000	Luz Rivas (D-Arleta) — \$5,346,226,000
Monique Limón (D-Santa Barbara) — \$4,564,826,000	Robert Rivas (D-Salinas) — \$5,505,626,000
Evan Low (D-Cupertino) — \$5,733,826,000	Freddie Rodriguez (D-Chino) — \$4,433,826,000
Brian Maienschein (D-San Diego) — \$32,400,000	Blanca Rubio (D-West Covina) — \$4,499,826,000
Devon Mathis (R-Visalia) — \$3,000,000	Rudy Salas (D-Bakersfield) — \$4,422,400,000
Chad Mayes (I-Rancho Mirage) — \$3,000,000	Miguel Santiago (D-Los Angeles) — \$18,743,826,000
Kevin McCarty (D-Sacramento) — \$5,401,226,000	Christy Smith (D-Santa Clarita) — \$1,000,800,000
Jose Medina (D-Riverside) — \$4,433,826,000	Mark Stone (D-Santa Cruz) — \$18,798,826,000
Kevin Mullin (D-San Mateo) — \$5,346,226,000	Philip Ting (D-San Francisco) — \$19,684,626,000
Al Muratsuchi (D-Torrance) — \$4,563,826,000	Randy Voepel (R-Santee) — \$1,000,000
Adrin Nazarian (D-Van Nuys) — \$5,344,226,000	Marie Waldron (R-Escondido) — \$14,426,000
Jay Obernolte (R-Hesperia) — \$1,000,000	Shirley Weber (D-San Diego) — \$4,509,826,000
Patrick O'Donnell (D-Long Beach) — \$4,443,826,000	Buffy Wicks (D-Oakland) — \$20,156,400,000
Jim Patterson (R-Fresno) — \$3,000,000	Jim Wood (D-Santa Rosa) — \$5,412,226,000
Cottie Petrie-Norris (D-Irvine) — \$21,400,000	

THE MOST EXPENSIVE BILLS



AB 2712 EUROPEAN-STYLE VALUE-ADDED TAX ON MOST GOODS AND SERVICES

A \$53.3 billion value-added tax to pay for a California universal basic income program.



AB 85 \$9.2 BILLION TAX INCREASE ON CALIFORNIA EMPLOYERS¹

A \$9.2 billion tax increase over three years (\$4.4 billion in 2020) on California employers by limiting and suspending tax laws that were intended to help struggling businesses and support California jobs.



AB 2088 WEALTH TAX

A \$7.5 billion tax on savings, assets like artwork, and other worldwide net worth in excess of \$30 million (or \$15 million for married taxpayers filing separately), continuing for many years after a person leaves California.



AB 1253 PERSONAL INCOME TAX INCREASES

A \$6.8 billion retroactive personal income tax increase, setting California's top income tax bracket – already the highest in the nation – at 16.8 percent.

1. For purposes of calculating a cumulative total for this report, only revenue estimated from the first year of AB 85 was included (estimated at \$4.4 billion).

PROJECTED COST TO TAXPAYERS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
European-Style Value-Added Tax on Most Goods and Services – AB 2712 (Low)	\$53,300,000,000 ¹	☠
\$9.2 Billion Tax Increase on California Employers – AB 85 (Assembly Budget Committee) ²	\$4,400,000,000	✓
Wealth Tax – AB 2088 (Bonta)	\$7,500,000,000	☠
Retroactive Income Tax Increase – AB 1253 (Santiago)	\$6,800,000,000	☠
Soda Tax – AB 2466 (Bloom)	\$4,200,000,000	☠
Tax on Californian Jobs – AB 398 (Chu)	\$2,109,712,000	☠
Tax on In-State Energy Production – SB 246 (Wieckowski)	\$1,600,000,000	☠
Business Tax Increase Based on Employee Pay – SB 37 (Skinner)	\$1,000,000,000	☠
Tax on Utility Users – AB 1659 (Bloom)	\$902,400,000	☠
Authorizes Air District to Impose Taxes – SB 732 (Allen)	\$490,400,000	☠
Limit on Mortgage Interest Deduction – AB 1905 (Chiu)	\$360,000,000	☠
Surcharge for Broadband – AB 570 (Aguiar-Curry)	\$66,000,000	☠
Tire Tax Increase – AB 755 (Holden)	\$55,000,000	☠
Tax on E-Cigarettes – AB 1639 (Gray)	\$38,400,000	☠
Hazardous Waste Fees – AB 995 (Cristina Garcia)	\$19,400,000	⊘
Increase in Various Regulatory Fees – AB 3330 (Calderon)	\$11,426,000	✓
Fee for Recycling – AB 1080/SB 54 (Gonzalez/Allen)	\$10,000,000	☠
Health Care Omnibus Bill, With Tax – SB 406 (Pan)	\$2,000,000	✓
Tax Increase on Punitive Damages – SB 1139 (Hill)	\$1,200,000	☠
Bird-Hunting Fee Increase – AB 2106 (Aguiar-Curry)	\$1,000,000	☠

Key

- ✓ The bill was signed into law and chaptered.
- ⊘ The bill was vetoed by the governor.
- ☠ The bill is dead.

1. The California Tax Foundation estimated the potential revenue impact for AB 2712 by calculating revenue generated by the sales and use tax (as indicated in the governor's enacted 2019-20 budget) and the revenue estimate for expanding the sales tax to business-to-business services from "An Analysis of Sales Taxes on Business Services in California," conducted by Encina Advisors, LLC.
2. For purposes of calculating a cumulative total for this report, only revenue estimated from the first year of AB 85 was included (estimated at \$4.4 billion).

LEGISLATION WITH KNOWN COSTS



AB 85

\$9.2 BILLION TAX INCREASE ON CALIFORNIA EMPLOYERS

\$4.4 BILLION

Vote Required: Two-Thirds

Version Reviewed: Chaptered – 6/29/2020

Status: Enacted

AB 85 (Assembly Budget Committee) increases taxes on California employers by \$9.2 billion over a three-year period by limiting tax incentives and suspending tax relief for struggling businesses. The bill taxes research and development and COVID-19 research activities in California, including: development of vaccines, treatments and testing kits; development of medical equipment; development of work-from-home technologies; and green technologies that help California reach its climate goals. The bill also taxes businesses hit hard by COVID-19 that may have significant losses in 2020, but could resume normal operations in 2021, by suspending the Net Operating Loss Deduction.

Revenue Estimate: Assembly Floor Analysis of AB 85.



AB 398

TAX ON CALIFORNIA JOBS

\$2.1 BILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 6/17/2020

Status: Dead

AB 398 (Chu) proposed a \$275 per-employee tax for five years on companies that employ 500 or more Californians, thus creating a fiscal incentive for companies to move jobs out of California.

Revenue Estimate: U.S. Small Business Administration “2020 Small Business Profile.”



AB 570

SURCHARGE FOR BROADBAND

\$66 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 8/11/2020

Status: Dead

AB 570 (Aguiar-Curry) would have authorized the California Public Utilities Commission to collect a surcharge totaling \$66 million to \$125 million each year to pay for an expansion of broadband projects. The tax provisions were amended out on August 21.

Revenue Estimate: AB 570 language.

**AB 755**
TIRE TAX INCREASE**\$55 MILLION****Vote Required:** Two-Thirds
Version Reviewed: Amended – 5/16/2019
Status: Dead

AB 755 (Holden) proposed increasing the California tire tax of \$1.75 cents per tire by \$1.50 per tire, and depositing the increased revenue into the Stormwater Permit Compliance Fund for remediation of zinc pollutants from tires.

Revenue Estimate: Assembly Appropriations Committee analysis.

**AB 995**
HAZARDOUS WASTE FEES**\$19.4 MILLION****Vote Required:** Majority
Version Reviewed: Enrolled – 9/4/2020
Status: Vetoed

AB 995 (Cristina Garcia) proposed increasing and decreasing various fees relating to hazardous waste. The bill was vetoed by Governor Gavin Newsom.

Revenue Estimate: Senate Appropriations Committee analysis.

**AB 1080/SB 54**
FEE FOR RECYCLING**\$10 MILLION****Vote Required:** Majority
Version Reviewed: Amended – 8/25/2020
Status: Dead

AB 1080 (Gonzalez) and **SB 54** (Allen) proposed the California Circular Economic and Pollution Reduction Act to impose a regulatory scheme on producers, retailers and wholesalers of single-use packaging and priority single-use products, with a fee on producers.

Revenue Estimate: Senate Appropriations Committee analysis.

**AB 1253**
RETROACTIVE INCOME TAX INCREASE**\$6.8 BILLION****Vote Required:** Two-Thirds
Version Reviewed: Amended – 7/27/2020
Status: Dead

AB 1253 (Santiago) proposed a personal income tax increase, retroactive to January 1, 2020, at the rate of 1 percent on taxable income between \$1 million and \$2 million, 3 percent on taxable income between \$2 million and \$5 million, and 3.5 percent on taxable income over \$5 million. California's top tax rate – already the highest in the nation at 13.3 percent – would be 16.8 percent under this bill, creating a major incentive for many taxpayers to leave the state.

Revenue Estimate: Proponents' July 31, 2020, tweet (SEIU Local 2015).



AB 1639

TAX ON E-CIGARETTES

\$38.4 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 7/27/2020

Status: Dead

AB 1639 (Gray) proposed a tax on electronic cigarettes at a rate of \$2.40 per every 40 milligrams of nicotine content.

Revenue Estimate: January 22 CapRadio article “California Wants to Increase Vaping Taxes, But Experts Say There Could Be Unintended Consequences.” The article used a \$2 per 40 milligram tax rate for the revenue estimate. Our revenue estimate substituted the AB 1639 tax rate of \$2.40 per 40 milligrams.



AB 1659

TAX ON UTILITY USERS

\$902.4 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 8/28/2020

Status: Dead

AB 1659 (Bloom) proposed a tax on utility users in the form of a \$3 billion bond that would be repaid – with interest – via a “surcharge” on utility bills. The tax would have been imposed on bills from investor-owned utilities – not municipal utilities – from 2036 through 2051.

Revenue Estimate: Public Utilities Commission Decision 19-10-056 issued on October 24, 2019, that averaged the fiscal years 2013-2018 for the DWR surcharge.



AB 1905

LIMIT ON MORTGAGE INTEREST DEDUCTION

\$360 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 5/14/2020

Status: Dead

AB 1905 (Chiu) proposed increasing taxes on many Californians by disallowing the mortgage interest deduction for a residence that is not the taxpayer’s principal residence.

Revenue Estimate: Franchise Tax Board.



AB 2088

WEALTH TAX

\$7.5 BILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 8/13/2020

Status: Dead

AB 2088 (Bonta) proposed a 0.4 percent tax on a Californian’s worldwide net worth in excess of \$30 million (or \$15 million for married taxpayers filing separately), continuing for several years after a person moves out of the state.

Revenue Estimate: Author’s press conference, August 13, 2020.



AB 2106 BIRD-HUNTING FEE INCREASE

\$1 MILLION

Vote Required: Majority
Version Reviewed: Amended – 8/08/2020
Status: Dead

AB 2106 (Aguiar-Curry) proposed a \$5 increase in the upland game bird-hunting validation fee.

Revenue Estimate: Assembly Water, Parks, and Wildlife Committee.



AB 2466 SODA TAX

\$4.2 BILLION

Vote Required: Two-Thirds
Version Reviewed: Amended – 5/4/2020
Status: Dead

AB 2466 (Bloom) proposed a tax of 2 cents per fluid ounce of sugar-sweetened beverages, concentrates and syrups on those who distribute these products in California. The tax increase would have been \$2.88 for a 12-pack of 12-ounce cans.

Revenue Estimate: Assembly Revenue and Taxation Committee Analysis of AB 138 (2019).



AB 2712 EUROPEAN-STYLE VALUE ADDED TAX ON MOST GOODS AND SERVICES

\$53.3 BILLION

Vote Required: Majority
Version Reviewed: Amended – 5/7/2020
Status: Dead

AB 2712 (Low) proposed creating the California Universal Basic Income Program, in which every California resident over 18 years of age would receive \$1,000 per month from the government. The bill stated the intent to fund the program by imposing a 10 percent value-added tax on goods and services except medicine, medical supplies and equipment, educational materials, food, groceries and clothing

Revenue Estimate: The California Tax Foundation estimated the potential revenue impact for AB 2712 by calculating revenue generated by the sales and use tax (as indicated in the governor's enacted 2019-20 budget) and the revenue estimate for expanding the sales tax to business-to-business services from "An Analysis of Sales Taxes on Business Services in California," conducted by Encina Advisors, LLC.



AB 3330 INCREASE IN VARIOUS REGULATORY FEES

\$11.4 MILLION

Vote Required: Majority
Version Reviewed: Chaptered - 9/30/2020
Status: Enacted

AB 3330 (Calderon) increases various regulatory fees imposed by the Department of Consumer Affairs. The bill was signed by Governor Gavin Newsom (Chapter 359, Statutes 2020).

Revenue Estimate: Assembly Appropriations Committee analysis.



SB 37 BUSINESS TAX INCREASE BASED ON EMPLOYEE PAY

\$1 BILLION

Vote Required: Two-Thirds
Version Reviewed: Amended - 1/16/2020
Status: Dead

SB 37 (Skinner) proposed increasing the corporate income tax rate for corporations that have a specified disparity between the pay of the chief executive officer and the median salary for employees. The current corporate tax rate of 8.84 percent (10.84 percent for financial institutions) would have increased to 10.84 percent and could reach 14.84 percent (12.84 percent to 16.84 percent for financial institutions) for corporations with net income in excess of \$10 million, based on each corporation's "compensation ratio." Additionally, the bill would have increased the tax rate to a maximum of 22.26 percent (24.26 percent for banks and financial corporations) for corporations with net income in excess of \$10 million that have a specified decrease in full-time employees in the United States while increasing the number of contracted and foreign full-time employees.

Revenue Estimate: Senate Governance and Finance Committee analysis.



SB 246 TAX ON IN-STATE ENERGY PRODUCTION

\$1.6 BILLION

Vote Required: Two-Thirds
Version Reviewed: Amended - 1/6/2020
Status: Dead

SB 246 (Wieckowski) proposed a tax increase on California's in-state energy production in the form of an oil severance tax of 10 percent of the average price per barrel of California oil and a gas severance tax of 10 percent of the average price per unit of gas.

Revenue Estimate: Senate Appropriations Committee analysis of SB 231 (2013).



SB 406

HEALTH CARE OMNIBUS BILL, WITH TAX

\$2 MILLION

Vote Required: Two-Thirds
Version Reviewed: Chaptered – 9/29/2020
Status: Enacted

SB 406 (Pan) extends an annual assessment charge on health care service plans and health insurers to support the University of California’s implementation of the California Health Benefit Review Program until July 1, 2022. The bill was signed by Governor Gavin Newsom (Chapter 302, Statutes of 2020).

Revenue Estimate: Assembly Appropriations Committee analysis.



SB 732

AUTHORIZES AIR DISTRICT TO IMPOSE TAXES

\$490.4 MILLION

Vote Required: Majority
Version Reviewed: Amended – 1/14/2020
Status: Dead

SB 732 (Allen) proposed that the South Coast Air Quality Management District, which encompasses Los Angeles, Orange, Riverside and San Bernardino counties, be authorized to impose a sales tax within its boundaries.

Revenue Estimate: Senate Governance and Finance Committee analysis. The California Department of Tax and Fee Administration estimated that a minimum 0.25 percent sales tax increase based upon 2017’s taxable sales would generate \$490.4 million.



SB 1139

TAX INCREASES ON PUNITIVE DAMAGES

\$1.2 MILLION

Vote Required: Two-Thirds
Version Reviewed: Introduced – 2/19/2020
Status: Dead

SB 1139 (Hill) proposed increasing taxes by eliminating a tax deduction for expenses or expenditures by an electrical corporation or gas corporation that has been penalized by the Public Utilities Commission for a safety violation.

Revenue Estimate: Franchise Tax Board estimate for SB 66 (2018).

LEGISLATION WITH UNKNOWN COSTS

AB 81 EXTENDS FEE ON SKILLED NURSING FACILITIES

AB 81 (Assembly Budget Committee) extends the quality assurance fee on skilled nursing facilities until December 31, 2022. This bill was signed by Governor Gavin Newsom (Chapter 13, Statutes of 2020).

Version Reviewed: Chaptered – 6/29/2020 | **Vote Required:** Two-Thirds | **Status:** Enacted

AB 109 REGULATORY FEES

AB 109 (Assembly Budget Committee) proposed raising and lowering various regulatory fees.

Version Reviewed: Amended – 8/25/2020 | **Vote Required:** Majority | **Status:** Dead

AB 156 OPTOMETRIST FEE

AB 156 (Voepel) proposed establishing an optometrist “endorsement fee” of \$50 and authorizing the State Board of Optometry to increase the fee up to \$100.

Version Reviewed: Amended – 1/15/2020 | **Vote Required:** Majority | **Status:** Dead

AB 1024 HOME INSPECTOR LICENSE FEE

AB 1024 (Frazier) proposed an initial license fee and license renewal fee for home inspectors, beginning January 1, 2022.

Version Reviewed: Amended – 1/16/2020 | **Vote Required:** Majority | **Status:** Dead

AB 1616 FEE TO REMOVE INFORMATION FOR EXPUNGED CONVICTIONS

AB 1616 (Low) proposed imposing a \$50 fee on anyone seeking the removal of postings that a person’s license was revoked – and information previously posted regarding arrests, charges and convictions of a board within the Department of Consumer Affairs’ website – if the person has been granted an expungement order for the underlying offense.

Version Reviewed: Amended - 7/7/2020 | **Vote Required:** Majority | **Status:** Dead

AB 1860 HIGHER LOCAL TAXES FOR HOMELESS HOUSING AND SERVICES

AB 1860 (Santiago) proposed lowering the vote threshold (from two-thirds to a simple majority) for sales and use taxes and parcel taxes that fund homeless housing and services. The bill additionally would have authorized local jurisdictions to exceed the state's 2 percent cap on transactions and use taxes if the tax is used to support homeless housing and services.

Version Reviewed: Amended – 5/4/2020 | **Vote Required:** Majority | **Status:** Dead

AB 2142 BOARD OF BEHAVIORAL SCIENCES FEE INCREASE

AB 2142 (Medina) proposed establishing new minimum fee amounts and authorizing the Board of Behavioral Sciences to set fees higher, up to a prescribed maximum. The bill also would have set a delinquency fee at 50 percent of the license renewal fee amount.

Version Reviewed: Introduced – 2/10/2020 | **Vote Required:** Majority | **Status:** Dead

AB 2454 AUTOMOTIVE REPAIR DEALER FEE

AB 2454 (Low) proposed requiring the Bureau of Automotive Repair to establish a “trusted dealer” certification program for automotive repair dealers, and to require certified dealers to pay an annual fee.

Version Reviewed: Amended – 3/16/2020 | **Vote Required:** Majority | **Status:** Dead

AB 2697 SEA URCHIN PERMIT FEE

AB 2697 (Muratsuchi) proposed requiring the Fish and Game Commission to adjust the fees for sea urchin permits to fully cover the costs relating to those permits. The bill's provisions were removed on May 4.

Version Reviewed: Introduced – 2/20/2020 | **Vote Required:** Majority | **Status:** Dead

AB 2843 HEADCOUNT TAX FOR AFFORDABLE HOUSING

AB 2843 (Chu) proposed requiring a city or county to collect a new tax – labeled as a “fee” – from any applicant for a local business license, in an amount based on the number of employees, and deposit revenue into the newly created Affordable Housing Assistance Fund. In addition to penalizing companies for hiring employees in this state, the bill would have required businesses that employ more California workers to pay a higher per-employee rate (for example, \$150 per employee for a business with 1,000 workers, compared to \$75 per employee for a business with 200 workers). Revenue would be used to fund first-time homebuyer programs, provide vouchers to homeless individuals, fund and subsidize housing that is 100 percent affordable to low- and moderate-income people and families, and provide rent assistance.

Version Reviewed: Introduced – 2/20/2020 | **Vote Required:** Two-Thirds | **Status:** Dead

ACA 11 CHANGES IN PROPERTY OWNERSHIP

ACA 11 (Mullin) places a measure on the ballot that, if approved by voters, will increase property taxes on some Californians by requiring reassessment upon some currently excluded transfers of homes and farms between parents and children or, in certain circumstances, grandparents and grandchildren. The measure was approved by the Legislature (Chapter 31, Statutes of 2020) and placed on the November 2020 ballot as Proposition 19.

Version Reviewed: Chaptered – 7/1/2020 | **Vote Required:** Two-Thirds | **Status:** Enacted

ACA 23 TAXES LOTTERY WINNINGS

ACA 23 (Gray) proposed deleting the voter-approved prohibition on imposing a state or local tax on any prize awarded by the California Lottery (Proposition 37, 1984) by imposing personal income taxes on all winnings equal to or greater than \$1,000. This measure would have required voter approval to take effect.

Version Reviewed: Introduced – 2/21/2020 | **Vote Required:** Two-Thirds | **Status:** Dead

SB 372 BEVERAGE RECYCLING STEWARDSHIP FEE

SB 372 (Wieckowski) would have required distributors of beverage containers in the state to form a beverage container stewardship organization, like that required by the Used Mattress Recovery and Recycling Act, and establish a “stewardship fee” that would be paid by distributors to cover the cost of the program.

Version Reviewed: Amended – 1/23/2020 | **Vote Required:** Majority | **Status:** Dead

SB 803 PEER SUPPORT SPECIALIST CERTIFICATION FEE

SB 803 (Beall) creates the Peer Support Specialist Certification Fee Fund for the deposit of fees paid by individuals for certification. The bill was signed by Governor Gavin Newsom (Chapter 150, Statutes of 2020).

Version Reviewed: Chaptered - 9/25/2020 | **Vote Required:** Majority | **Status:** Enacted

SB 865 EXCAVATION FEE

SB 865 (Hill) would have required a person planning to conduct an excavation to complete a specified online training program provided through a regional notification center, and to pay a fee for the training. The fee was removed on May 7.

Version Reviewed: Introduced – 1/17/20 | **Vote Required:** Majority | **Status:** Dead

SB 917 STATE TAKEOVER OF PRIVATE UTILITIES, WITH NEW TAXING AUTHORITY

SB 917 (Wiener) proposed establishing the Northern California Energy Utility District with authority to levy taxes.

Version Reviewed: Amended – 4/3/2020 | **Vote Required:** Majority | **Status:** Dead

SB 991 COURT REPORTER FEE INCREASE

SB 991 (Gonzalez) proposed increasing court reporter fees to \$1.13 for every 100 words of transcription for original ribbon or printed copy and 20 cents per copy purchased other than the original.

Version Reviewed: Introduced – 2/12/2020 | **Vote Required:** Majority | **Status:** Dead

SB 1024 MOTORCYCLE AND ATV FEE

SB 1024 (Jones) proposed a fee on competition motorcycles and all-terrain vehicles to cover costs of enforcement of a competition identification program, along with a special fee of \$126 on ATVs starting in model year 2022.

Version Reviewed: Amended – 8/25/2020 | **Vote Required:** Majority | **Status:** Dead

SB 1206 FEE FOR BROADBAND PROJECTS

SB 1206 (Gonzalez) proposed a fee for a permit application relating to a broadband infrastructure development project.

Version Reviewed: Amended – 4/1/2020 | **Vote Required:** Majority | **Status:** Dead

SB 1349 HIGHER LOCAL TAXES IN CONTRA COSTA COUNTY

SB 1349 (Glazer) allows higher local taxes by providing that a transactions and use tax imposed by the Bay Area Rapid Transit District and the Contra Costa County Transportation Authority does not count toward the state's 2 percent cap for local sales taxes. The bill was signed by Governor Gavin Newsom (Chapter 369, Statutes of 2020).

Version Reviewed: Chaptered - 9/30/2020 | **Vote Required:** Majority | **Status:** Enacted

SB 1435 OPPORTUNITY ZONE REPORTING AND FEES

SB 1435 (Durazo) stated intent to impose a registration fee on development projects within a California opportunity zone, to be paid by managers of the opportunity zone funds, calculated by the size and type of development project.

Version Reviewed: Amended – 4/9/2020 | **Vote Required:** Majority | **Status:** Dead

METHODOLOGY



This report identifies higher taxes, fees, assessments, and charges lawmakers acted on since January 6, 2020, through the adjournment in the early hours of September 1. Bills introduced in 2019 and not acted upon in 2020 have been excluded from this report.

The California Tax Foundation identified 42 bills and constitutional amendments during this period that contain higher costs. The costs cannot be quantified for 21 of the measures.

Under Proposition 26, the voter-approved Stop Hidden Taxes Act of 2010, a tax is defined as any change in state statute that results in any taxpayer paying a higher tax or exaction, including any unreasonable fee or charge. This report includes any measure that imposes or authorizes higher taxes or tax-like “fees,” as well as any legislation that increases a regulatory and/or license fee, user charge, or other charge for receiving a specific government service or benefit. Legislation imposing fines, penalties and other costs for violating state or local laws is not included. This report also excludes legislation estimated to generate less than \$1 million per year in net revenue.

Revenue estimates are taken from legislative committee and floor analyses, and analyses from the state tax agencies. When an estimate had not been prepared for a bill, the California Tax Foundation used recent data from prior legislative or agency analyses of similar legislation. When estimates provided a revenue range, the lowest figure in the range was used to calculate a revenue total. Bills imposing identical taxes or fees are included in this report but were counted only once for purposes of calculating a revenue total.

For “spot” bills that contain placeholder language intending to impose a tax or fee, without detailed language, or bills that did not receive a legislative fiscal analysis, the California Tax Foundation used revenue estimates from previous comparable proposals or available economic studies.

When calculating individual legislators’ vote totals, only the last recorded vote was taken into consideration. If a legislator authored, sponsored or cosponsored legislation to increase taxes or fees but did not have an opportunity to vote on the legislation, the attributable revenue estimate was included in the lawmaker’s total.

ABOUT THE CALIFORNIA TAX FOUNDATION

The California Tax Foundation is dedicated to serving the public through education and research. Founded in 1980 by the California Taxpayers Association, the Foundation seeks to improve public policy through thoughtful and independent nonpartisan research. The Foundation has been recognized for its research excellence with several national awards. The CalTax Foundation is a separate 501(c)3 not-for-profit organization funded through grants and donations from taxpayers. It does not take or support positions on any ballot measures or on any local, state, or federal legislation, nor does it endorse, support, or oppose any political parties or candidates for public office.

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