
The FISCAL REPORT an informational update

Copyright © 2011 School Services of California, Inc.

Volume 31

For Publication Date: December 9, 2011

No. 25

Brown to Release Tax Proposal Monday

The November 2012 ballot is shaping up to be crowded as Governor Jerry Brown prepares to release his own initiative proposal to increase the state's tax revenues. The proposal was originally set to be released on Friday, December 2, 2011. However, Governor Brown's spokesperson posted a tweet announcing that no news conference was forthcoming, with a link to a YouTube video of the Mama's and Papa's song "Monday, Monday"—a subtle hint to the proposal's Monday, December 5 release.

Limited details are available at this time. However, several news sources are reporting that Governor Brown is going to propose increasing the state sales tax from 7.25% to 7.75%. Additionally, the personal income tax rates for those at the upper end of the tax bracket would see an increase.

Expected to bring in about \$7 billion annually, the tax increases would be temporary, with the sales tax beginning in 2013 and the income tax increase retroactive to the beginning of 2012. Both tax increases would expire at the end of 2016.

Given the Republicans' reluctance to increase state revenues, the proposal will likely be the focus of a signature gathering effort to get it on the November ballot. The proposal will need roughly 505,000 signatures to qualify.

—Dave Heckler

posted 12/02/2011