



PROPOSITION 24 - TAXING NEW JOB CREATION

A Giant Step Backward on California's Road to Recovery

States across the country have updated tax laws to attract and grow businesses and jobs. California finally did the same, but Prop. 24 on the November ballot would repeal those updates. Known as the Jobs Tax measure, Prop. 24 would literally tax new job creation, hit California employers and small businesses with \$1.3 billion in higher taxes each year, and stifle job growth in our most promising industries. The State Franchise Tax Board estimates 120,000 businesses could be impacted. In short: More small businesses closing shop, more employers expanding into other states, fewer jobs, and fewer tax revenues.

The Rose Institute at Claremont McKenna College reports it could cost us 322,000 jobs and \$1.8 billion in lost tax revenues annually and leave California the only state among the 10 largest to be without any of these important job-creating tax policies.

Taxes New Job Creation, Sends More Jobs Out of California

Prop. 24 repeals the tax change that allows multi-state companies to pay their state income tax based on their in-state sales. It would take us back to an outdated formula that increases an employer's income taxes every time they create a new job here. In a nationwide trend, 24 states (including California) have moved away from that type of jobs tax because it penalizes job growth and incentivizes companies to expand into other states, taking good jobs and tax revenues with them.

Taxes Small Businesses (and their Employees) Out of Business

More than half of the state's private sector jobs are created by small businesses. Last year, small business bankruptcies in California rose 81%. Prop. 24 adds insult to injury by limiting their ability to level out their losses over time. It would force more small businesses to close shop and more of their employees onto the unemployment lines.

Stifles Job Growth in Some of California's Most Promising Industries

We're counting on our high tech, clean technology, biotechnology, and other innovative, high-growth industries to help pull California out of the recession and provide tomorrow's high-paying jobs. But Prop. 24 would tax them for creating new jobs here, prohibit the full use of earned research and development tax credits, and limit their ability to level out their losses over their natural business cycles. We can't afford to stifle the growth of these industries or lose their jobs and revenues to *other* states.

Reduces Revenues for Schools and Other Public Services

Prop. 24 throws roadblock after roadblock in front of the state's economic recovery and threatens decades of vital service cuts. The slower our recovery, the fewer tax revenues we'll have to fund our schools and hospitals and roads.

With 2 million Californians out of work and an unemployment rate higher than almost every other state, we need to *encourage* job growth, not *penalize* it.

California Taxpayers' Association
California Small Business Alliance
California Manufacturers & Technology Assn.
California Healthcare Institute
BayBio
TechNet
Los Angeles Area Chamber of Commerce
Genentech
Neighborhood Market Association
CBS Corporation
BIOCOM
Industrial Environmental Association
California Hotel and Lodging Association
California Independent Grocers Association
TechAmerica
Alliance of Contra Costa Taxpayers
Printing Industries of California
BioMarin
California Chamber of Commerce
Kern County Taxpayers Association
California Building Industry Association
The Walt Disney Company
General Electric Company
Silicon Valley Leadership Group
California Taxpayer Protection Committee
California Citrus Mutual
Hewlett-Packard
California League of Food Processors
California Retailers Association
Johnson & Johnson
Orange County Taxpayers Association
Time Warner
Inland Empire Taxpayers Association
Asian Business Association - Los Angeles
United Californians for Tax Reform
Viacom
Amgen
Valley Taxpayers' Coalition
Cisco Systems
Valley Industry & Commerce Association
San Francisco Chamber of Commerce
* Partial Listing

9/16/10

Stop the Jobs Tax | 111 Anza Blvd. #406, Burlingame, CA 94010 | Phone 800-610-4150 | www.StopProp24.com | info@StopProp24.com

Paid for by No on 24 - Stop the Jobs Tax, a Coalition of Taxpayers, Employers, Small Businesses, Educators, and High Tech and Biotechnology Organizations, with major funding from Genentech and General Electric Company including aggregated contributions