



## Yes on 26 Fact Sheet

### Co-Chairs

California Chamber of Commerce  
California Taxpayers' Association

### Supporters

Americans for Tax Reform  
California Black Chamber of Commerce  
California Business Alliance  
California Business Properties Assn.  
California Forestry Association  
California Grocers Association  
California Hispanic Chambers of Commerce  
California Hotel & Lodging Assn.  
California Restaurant Association  
California Manufacturers & Technology Association  
Coalition of Labor, Agriculture & Business of Santa Barbara County  
California Retailers Association  
California Taxpayer Protection Cmte  
Citizens for California Reform  
Family Winemakers of California  
Howard Jarvis Taxpayers Association  
Latin Business Association  
National Federation of Independent Business – California  
Nisei Farmers League  
North Valley Hispanic Chamber of Commerce  
Orange County Taxpayers Assn.  
Neighborhood Market Association  
San Diego Tax Fighters  
Wine Institute  
Small Business Action Committee  
Valley Industry & Commerce Assn.  
Western Agricultural Processors Assn.

\*Partial List

For years, politicians have been using a loophole in the law to raise taxes on products and services we use every day simply by calling them “fees” instead of “taxes.” Under California’s Constitution, the state Legislature can pass or increase taxes with a two-thirds vote, but the politicians in Sacramento try to get around this constitutional requirement by calling their taxes “fees,” which only require a bare majority to pass.

At the local level, a public vote is required for most tax increases, but fees can be enacted without a public vote. Just like the state Legislature, local politicians have been calling taxes “fees” so they can bypass voters and raise taxes without voter permission – taking away voters’ right to stop these hidden taxes at the ballot.

Proposition 26 would stop the politicians from imposing these “hidden taxes” on Californians just by calling them fees.

**Prop. 26 will stop politicians from using gimmicks to steal more money from California taxpayers and will make politicians abide by the Constitution.** No longer will they be able to hide new or higher taxes under the name of a “fee” in order to get more taxpayer money. Now, they’ll have to get a two-thirds vote at the state level or voter approval at the local level for most increases.

**Voters will have MORE control so politicians can’t play tricks to get more of our money.** Politicians don’t think they can pass taxes legitimately, so they play tricks on voters by resorting to fee increases. The same politicians that have forced California into a \$20 billion budget deficit use these fees to get more money from taxpayers for their slush funds and wasteful spending. Prop. 26 provides voters with MORE control over politicians’ slush fund spending, sending them the message that it’s time to clean up the waste and inefficiencies in government.

**We need to stop politicians from using this loophole and get them to control their wasteful spending instead.** The Legislature already raised taxes by \$18 BILLION. This year they’re at it again, unveiling a plan that will raise taxes by another \$5 billion so they’ll have even more money to waste. The recession has forced families to cut back. Now, we need to force the Legislature to cut spending and live within its means just like regular families do. We shouldn’t be paying more in hidden taxes to fund big government.

**Hidden taxes affect the bottom line of every Californian.** Politicians have proposed more than \$10 billion in hidden taxes. Unless Prop. 26 is approved by voters, more everyday items could be impacted by hidden taxes, including food, gas, toys, water and insurance. At a time when our economy is suffering and jobs are being cut, Californians definitely don’t need higher taxes and increased costs on the items they buy every day.

**Hidden taxes and fees work against job creation, drive businesses out of state and force many small businesses to close.** Californians already pay some of the highest taxes in the country. We’ve lost more than a million jobs and have one of the highest unemployment rates at 12.4%. Raising taxes and fees on people and businesses in our state will continue to drive people away, kill jobs, reduce state revenue and make our budget crisis even worse. This measure will help create new jobs instead of killing jobs. We need to stop these hidden taxes because they hurt California and instead focus on the future and growing our economy.

Politicians have made too big of a mess in Sacramento for far too long. It’s time to let the politicians know we don’t like the way they’ve been managing the state’s money. Please visit [www.No25Yes26.com](http://www.No25Yes26.com) for more information.