

# YES ON 24 THE TAX FAIRNESS ACT

Background: Just as funding for public education was decimated, personal taxes went up by \$18 billion and thousands of people lost their jobs and homes, California lawmakers approved \$1.7 billion in three permanent tax breaks for the state's largest corporations. These loopholes allow a small number of big corporations to use tax credits they didn't earn to reduce their taxes, shift current losses to past tax years to get additional tax refunds, and lets businesses choose the way they calculate their taxes in order to reduce what they pay. Proposition 24 repeals these unfair tax loopholes.

## Quick Facts:

- These tax loopholes don't create or save a single job in California. There is no requirement that the corporations that receive the tax breaks must create or protect jobs in California. These corporations would still be allowed to outsource jobs to other states and other countries.
- Eighty percent of these permanent tax breaks will go to corporations earning more than \$1 billion annually. One loophole allows out-of-state corporations to pick and choose how to calculate their taxes so they can pay less in California.
- The \$1.7 billion in tax breaks to these wealthy corporations could be used to reduce class sizes in California schools, buy new textbooks for students, allow more students to attend college or provide health care to low-income children and seniors.

## Paying Their Fair Share:

- Despite posting record profits, big corporations and their lobbyists got billions in special giveaways from California taxpayers. We don't need to be giving tax breaks to big corporations. Repealing these tax breaks will ensure that rich corporations pay their fair share.
- When big corporations get tax breaks, the middle class gets stuck paying the bill. Lawmakers raised taxes on average Californians by more than \$18 billion, yet a handful of large businesses got \$1.7 billion in tax giveaways. That's not fair.
- These unfair corporate tax giveaways were negotiated in secret by the Legislature and industry lobbyists with no public hearings or scrutiny. It's time for lawmakers in Sacramento to put average Californians ahead of corporate special interests.
- When we are cutting billions from public schools, colleges and services for poor children, and when the state is facing more budget deficits, now is not the time to be handing out tax breaks to a small number of large corporations. In these tough economic times, everyone must be paying their fair share.