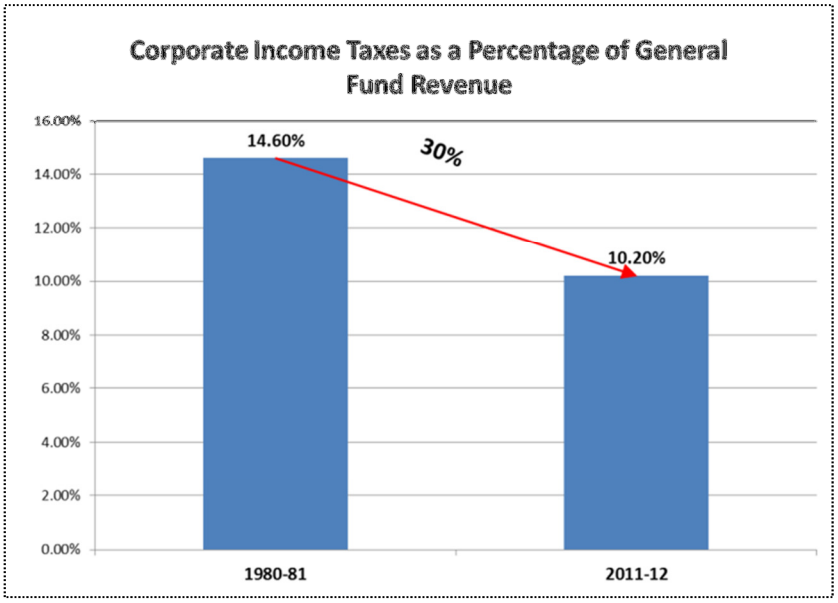
It's Time to Restore *FAIRNESS* to California's Tax System

Who *Really* Pays Taxes in California?

California's poorest families pay the most in income taxes.

Did you know that California's lowest-income families pay the most in income taxes as a share of family income? The poorest one-fifth of Californians spend 11.8% of their income on state taxes, while the wealthiest 1 percent pay just 7.8%. And did you know that during the last twenty years, the percentage of state revenue based on personal income has increased, while the percentage coming from corporations has actually dropped dramatically?



How are schools funded in California?

10% Federal

60% State (personal and corporate income tax, sales tax, special taxes and fees)

23% Local Property Tax

<2% Lottery

6% Miscellaneous Local (parcel taxes, foundations, business contributions, food sales, interest income)

The cost of funding state services has shifted from corporate to personal income taxes. This means that as big corporations pay less, California workers pay more. When Proposition 13 was passed, responsibility for funding public schools shifted from local property taxes to the state. It also created huge tax loopholes for corporations, allowing them to avoid tax increases. Now the state is in financial crisis and cannot foot the bill.

Investing in public education grows the economy more, dollar for dollar, than tax cuts and corporate subsidies. But in California, we rank 43rd in per-pupil spending, and we have cut $20 billion from schools and colleges in the past three years. We're moving in the wrong direction. We must reevaluate how we are funding our government and make it fair and equitable.

Learn more about tax fairness at *cta.org/taxfairness*.