

ARGUMENT AGAINST
PROPOSITION 40

No on 40 – FLAWED WEALTH TAX “EXPERIMENT” HURTS ALL CALIFORNIANS

Prop 40 is a poorly designed tax scheme that will damage our economy and cost our state budget billions of dollars – without doing anything to lower healthcare costs for Californians.

This measure is a one-time tax that only provides temporary funds. When the money runs out, the politicians will be back with yet another tax.

PROP 40 WILL COST CALIFORNIA \$25 BILLION IN LOST REVENUE FOR HEALTHCARE, EDUCATION

A study by Stanford University economists found the tax will cost California \$25 billion as the tax drives companies and wealthy residents out-of-state.

These residents create new businesses, drive our economic growth and already pay nearly half the income taxes that fund state programs. If they leave, it will create a huge hole in our budget, threatening core services like education, healthcare and public safety or forcing other taxpayers to make up the difference.

California’s DOCTORS, HOSPITALS AND CLINICS OPPOSE PROP 40 because the lost funding will endanger patients’ access to healthcare.

“Prop 40 doesn’t help the need for stable healthcare funding. Prop 40 makes it worse.”

- Jodi Hicks, President and CEO, Planned Parenthood Affiliates of California

PROP 40 IS WRITTEN TO GIVE POLITICIANS NEW POWER TO EXPAND THE TAX

Prop 40 isn’t just a “billionaire tax.” The special interests behind the measure wrote it to give the State Legislature power to amend the measure – without voter approval.

Independent legal analysis found Prop 40 opens the door to expanding the tax to the assets of ALL Californians – to your savings, home equity and even retirement funds. www.ReadItForYourself.org

PROP 40 TAXES RETIREMENT ACCOUNTS FOR THE FIRST TIME

Prop 40 would be the first in California history to tax retirement accounts – a dangerous precedent. If it passes, it will inevitably be expanded to tax more Californians’ retirement savings.

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PROP 40 IS A RECIPE FOR MORE WASTEFUL SPENDING

State government spending is up 79% since 2019, without delivering better results on key issues like crime, housing and homelessness. But Prop 40 includes no accountability, transparency or oversight provisions to ensure funds are spent as intended.

Instead, Prop 40:

- Exempts itself from voter-approved constitutional protections for schools, shortchanging classrooms over \$3 billion annually. www.ProtectCaliforniaSchools.org
- Exempts itself from the voter-approved state spending limit, including its requirement that excess revenues get returned to taxpayers.
- Includes no safeguards to prevent billions from going directly to health insurance companies and CEOs.

AUTHORS ADMIT THE ONE-TIME TAX IS AN EXPERIMENT

The French economists who co-authored Prop 40 have unsuccessfully proposed wealth taxes in France and the European Union that were rejected due to economic concerns. They call Prop 40 “an experiment” that may backfire but say “California is the ideal place to test their idea.”

We shouldn’t risk California’s future on a costly economic experiment.

www.WhoWroteProp40.org

PROP 40 IS OPPOSED BY LABOR AND BUSINESS, DEMOCRATS AND REPUBLICANS, TEACHERS AND
FIREFIGHTERS

Prop 40 is opposed by Governor Gavin Newsom, the Democratic *and* Republican candidates for governor, and the following organizations:

California Teachers Association

Planned Parenthood Affiliates of California

California Children’s Hospital Association

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State Building and Construction Trades Council of California

California Conference of Carpenters

California Professional Firefighters

California Asian Pacific Chamber of Commerce

California Council for Affordable Housing

California Taxpayers Association

California Chamber of Commerce

California Hispanic Chambers of Commerce

Join us and vote no on this flawed tax scheme. Visit www.VoteNoOn40.org for more information.

René Bravo, M.D.

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~~President and~~ CEO, California Primary Care Association

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