ARGUMENT IN FAVOR OF
PROPOSITION 42

YES ON PROP 42: PROTECT YOUR RETIREMENT AND LIFE SAVINGS FROM STATE TAXES

California is now the third most expensive state to retire in the nation. Every year, higher costs and taxes make it harder to save. An April 2026 survey found 73% of Californians know someone who has had to delay retirement for financial reasons.

CALIFORNIA CONSTITUTION CURRENTLY ALLOWS DOUBLE TAXATION

Yet, California's Constitution currently allows the Legislature to tax the value of our personal property like retirement funds and savings accounts, even though residents already pay income tax on that money when they earn it. This means politicians can tax the same money twice: once when you earn it, and again when it is sitting in your retirement funds or savings accounts. That's double taxation!

In the last few years alone, the Legislature and special interests have introduced six separate proposals that would tax retirement and savings accounts.

Taxes and cost of living are already too high in California – we need protections against taxes on our personal property and retirement savings.

PROP 42 PROHIBITS TAXES ON RETIREMENT AND SAVINGS

Prop 42 amends the state Constitution to protect Californians from this double taxation by special interests and politicians. Specifically, the measure:

- Prohibits new taxes on personal property, such as retirement funds, pensions and savings accounts;
- Prohibits retroactive taxes; and
- Prohibits all new taxes on retirement and savings this year and in the future.

PROP 42 PROTECTS ALL FORMS OF RETIREMENT FUNDS AND SAVINGS FROM NEW TAXES

SUBJECT TO COURT
ORDERED CHANGES

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Roughly 80% of Californians report having some form of retirement fund or savings, including young workers just beginning to save; teachers, firefighters and police officers with pensions; and retirees who depend on their savings for financial security.

This measure protects all forms of personal property from new taxes, including 401ks, pensions, IRAs and personal savings.

"Prop 42 protects Californians' savings and retirement. Whether it's a union member's hard-earned pension or a small business owner's IRA, new taxes on retirement shouldn't stand between people and the security they've planned for."

-Chris Hannan, President, State Building and Construction Trades Council of California representing hundreds of thousands of union construction trades workers.

PROP 42 PROHIBITS UNFAIR RETROACTIVE TAXES

The state should not be able to pass new taxes that apply retroactively to money that taxpayers earned in the past. Prop 42 requires any new taxes to apply only after voters have approved them.

"It's a question of fairness and common sense. People plan their retirement for years – they deserve stable, predictable rules that don't change after years of saving and planning. Prop 42 provides that certainty."

-Sean Morgan, licensed financial advisor

Prop 42 is supported by a broad coalition of seniors, veterans, small business owners, blue-collar workers, retirees, including groups like the California Professional Firefighters and Disabled American Veterans, Dept. of California.

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Californians are already struggling with high costs of living and high taxes. Many work their entire lives to achieve some measure of retirement security. It should be illegal for politicians and special interests to tax our retirement and savings.

You earned and saved it. Now we need to protect it.

Please join us in voting Yes on 42. YesonProp42.org

Michael Hedges, President

California Small Business Association

Shelley Huff, Commander

AMVETS, Department of California

Jennifer Yoder, Board Member

California Senior Alliance

SUBJECT TO COURT
ORDERED CHANGES