



No on 25 Fact Sheet: More Spending/Higher Taxes Measure

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 Committee

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

Small Business Action Committee

Valley Industry & Commerce Assn.

Western Agricultural Processors Assn.
*Partial List

Special Interests and Politicians Want to:

- **RAISE YOUR TAXES by \$40 Billion**
- **Make it easier for Politicians to GIVE THEMSELVES A RAISE**
- **ELIMINATE OUR CONSTITUTIONAL RIGHT TO REFER HIDDEN TAXES AND OTHER TROUBLING LAWS**
- **They call it the "On-Time Budget Act," but it's really the More Spending/Higher Taxes Measure**

VOTE NO on Proposition 25 to Stop More Spending and Higher Taxes

Politicians and public employee unions are backing this misleading initiative. They say it is intended to just lower the vote requirement for the Legislature to pass the state budget from two-thirds to a bare majority vote.

Nothing could be further from the truth. In reality, Proposition 25 is an open checkbook for more spending and higher taxes. Hidden in its fine print is very troubling language that would:

- Allow the state Legislature to raise your taxes with a bare majority vote (current law requires a two-thirds vote).
- Eliminate voters' constitutional right to use the referendum process to repeal hidden taxes and other damaging laws before they take effect.
- Allow the state Legislature to increase their lavish expense accounts with a bare majority vote (current law requires a two-thirds vote).
- Do nothing to force politicians to address the wasteful spending in our government.
- Make it easier to use gimmicks and tricks to pass budgets that are not really balanced.

They also say Proposition 25 will cut legislators' pay when the budget isn't balanced. But we all know the politicians will never support something that reduces their pay and costs them power. That's what makes Proposition 25 so suspect on the surface.

In fact, hidden in the fine print of the measure is language that would allow the politicians to *double or even triple* their government expense accounts. The politicians want voters to think they're cutting their salaries, but under Proposition 25 they'll make that up and much, much more by increasing other taxpayer funded benefits.

One public employee union that has contributed heavily to Proposition 25 has a proposal to increase California taxes by \$40 billion. Other public employee unions are sponsoring the More Spending/Higher Taxes measure to make it easier for the politicians they put in office to raise your taxes to pay for their bloated pensions, increased salaries and benefits packages that are so big they simply don't exist for people who work in the private sector.

While the rest of California deals with fewer hours, lower wages and the decreased standard of living caused by our struggling economy, the public employee unions want to raid your pocketbook to pay to protect their salaries.



**Here are the Specifics on How Proposition 25 - the More Spending/Higher Taxes Measure –
Would Harm California Families:**

- Proposition 25 lowers the threshold for passing a budget from two-thirds to a bare majority vote, which will encourage even more deficit spending by the politicians. The two-thirds vote requirement to approve a budget is an important check and balance because it requires legislators to work together to pass a balanced budget. Instead, Proposition 25 will make it easier for the politicians to pass budgets that aren't really balanced, using all the gimmicks and smoke and mirrors we've seen the past several years. The last thing we need to do is make it easier for the politicians to pass budgets that aren't really balanced!
- Proposition 25 allows politicians to circumvent the Constitution and pass new taxes with a bare majority vote rather than the current two-thirds vote and include these new taxes in a budget package. The politicians could use this loophole to raise sales taxes, car taxes, income taxes and even energy and gas taxes.
- The measure contains a loophole that allows Sacramento politicians to put "hidden taxes" in a budget-related bill, pass it with a bare majority vote and have them take effect immediately. This effectively eliminates the constitutional right of voters to submit those new taxes disguised as fees to a referendum to stop them from going into effect.
- The More Spending/Higher Taxes measure allows politicians to increase their already lavish expense accounts with a bare majority vote instead of the two-thirds vote that is now required. They want us to believe Proposition 25 would cut their pay, but then they give themselves a loophole to make it up by doubling or tripling their expense accounts!
- Proposition 25 will only make it easier for politicians to increase spending and debt –the opposite of what California needs right now. We're still facing a budget deficit this year of \$20 billion, on top of \$500 billion in long-term debt. California can't continue to spend more money than it has-- period.
- California's unemployment rate is one of the highest in the country – over 12% - and we've lost hundreds of thousands of jobs. The best way to reduce the number of unemployed or underemployed workers is to focus on growing the economy and creating jobs, not increasing taxes. The More Spending/Higher Taxes Measure will do the opposite by making it easier for politicians to raise taxes that will damage small businesses, kill jobs and delay our economic recovery.
- California has one of the highest tax burdens in the country. The Legislature increased taxes by \$18 billion and voters had to stop them from trying to extend these new taxes even longer. Despite being told "NO to higher taxes" last year, the politicians in Sacramento are at it again, unveiling a plan that will raise taxes by another \$5 billion. We have to stop them from raising more taxes by standing together and opposing this initiative.

The politicians and public employee unions pushing Proposition 25 - the More Spending/Higher Taxes measure - claim it will end the gridlock in Sacramento, but what they don't want you to know is that it will make it easier for them to RAISE taxes and spend money we don't have.

Stop the politicians and public employee unions from trying to take more from hardworking Californians – go to www.No25Yes26.com to learn more.