



# CALIFORNIA

## Oppose SB 1619

### *"Tech Tax" Will Hurt California Consumers, Businesses, and Economy*

Soda taxes, SUV taxes, utility taxes...and now...a technology tax.

The latest new tax to make its way through the California legislature is a \$30 fee on the sale of cathode ray tube (CRT) computer monitors. Proposed under the guise of reducing municipal solid waste, this new "tech tax" will drive up costs for consumers without achieving its stated goal. SB 1619 and its "Advanced Recovery Fee" should be defeated.

As with many state-imposed taxes, the ARF will only apply to CRT's sold by vendors physically located in the State of California. The thousands of consumers purchasing computers and monitors online and from mail-order vendors will easily escape the tax. Consequently, the tax penalizes bricks-and-mortar computer retailers in the Golden State.

One recent survey found that almost 60% of consumers would happily pay the shipping and handling fees that come with Internet purchases in order to avoid a recycling fee (tax).

The ARF would give consumers an incentive to forgo purchasing their new computer from a California bricks-and-mortar vendor, to a remote retailer, where they may pay no California sales tax at all.

As a result, SB 1619 could actually *cost* California tax revenues, rather than raising revenues. For a state that relies as heavily on technology-based businesses as California, instituting a "tech tax" such as the ARF is foolish and counterproductive.

Because the ARF embodied in SB 1619 represents an unfair and inefficient tax on business and consumers that will adversely affect the state economy, Americans for Tax Reform strongly opposes the measure and urges all state legislators to oppose it as well.

In addition to being poor public policy, a vote for SB 1619 violates ATR's Taxpayer Protection Pledge, signed by 27 California state legislators, which reads: "I pledge to the taxpayers of the \_\_\_ district of the State of California and to all the people of this state, that I will oppose and vote against any and all efforts to increase taxes."

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