



**AMERICANS FOR TAX REFORM**

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# NEWS

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## **Americans for Tax Reform Responds to Proposed Income Tax Hike**

**SAN DIEGO, CA – Citing California’s status as one of the most heavily taxed states in America, Americans for Tax Reform today released the following statement from Senior Consultant Ron Nehring in response to a proposed increase in the California state income tax as supported by Sen. John Burton (D) and various liberal groups:**

**“We’ve heard a lot about ‘corporate greed’ from liberals in Sacramento. Now it’s time to talk about ‘government greed.’**

**“Californians are among the highest taxed people in the nation. Our colleagues in Nevada and Arizona regularly cheer tax hikes in California because they drive businesses and jobs out of California and into their states.**

**“The income tax increase proposed by Sen. Burton is flawed in several ways. First, it will almost certainly not produce the \$3.1 billion increase in revenue its proponents claim. Such estimates are usually based on static economic models that assume the tax burden has no impact on individual behavior. For example, it does not account for how many people will establish residency in Nevada, and thus move all their income out of the reach of the California legislature.**

**“When the tax increase fails to produce revenue as projected, it will lead to a second problem: yet another deficit, and yet another reason for another tax increase.**

**“How can we have any confidence in the projections the legislators attach to their tax increase proposals when their own budget estimates for LAST MONTH were off by more than \$250 million.**

**“The ‘support’ for the Burton tax increase comes directly from groups that have a conflict of interest because they directly or indirectly receive government funding. But let’s ask ourselves: is anyone really better off because of all the new spending? Or is government simply feeding itself?**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at [jcollegio@atr.org](mailto:jcollegio@atr.org).