

### How Do the Tax Initiatives Compare?

	Governor's Proposal	CFT "Millionaires Tax"	Munger Education/ECE
What Is Taxed?	<p>Adds three new personal income tax rates:</p> <p>10.3 percent on taxable incomes of \$500,000 to \$600,000</p> <p>10.8 percent on taxable incomes of \$600,000 to \$1 million</p> <p>11.3 percent on taxable incomes over \$1 million</p> <p>Increases the sales tax rate by one-half cent.</p>	<p>Adds two new personal income tax rates on top of existing rates:</p> <p>3 percent on taxable incomes between \$1 million and \$2 million</p> <p>5 percent on taxable incomes over \$2 million</p>	<p>Adds 10 new personal income tax rates on top of existing rates:</p> <p>Rate increases would range from 0.4 percent on taxable incomes between \$14,632 and \$34,692 and 2.2 percent on taxable incomes over \$3,402,994.</p>
Estimated 2012-13 Revenues	DOF: \$6.9 billion LAO: \$4.8 billion	DOF: \$9.5 billion LAO: \$6.0 billion	DOF: \$5.5 billion LAO: \$5.0 billion
Estimated Revenues in First Full Year of Implementation	DOF: \$6.9 billion LAO: \$5.5 billion	DOF: \$6.0 billion LAO: \$4.0 billion	DOF: \$11.0 billion LAO: \$10.0 billion
Revenue Allocation	<p>K-12 schools (89 percent) and community colleges (11 percent)</p> <p>The new revenues would increase the Proposition 98 guarantee by an estimated \$2.5 billion, leaving \$4.4 billion to close the budget gap, according to the DOF (see below).</p>	<p>K-12 schools (36 percent); county programs for seniors, children, people with disabilities, and public health (25 percent); UC, CSU, and community college systems (8 percent each); county public safety (10 percent); county maintenance (4.9 percent); and state administrative costs (up to 0.1 percent)</p>	<p>2012-13 through 2016-17: K-12 schools (60 percent); repayment of state bond debt (30 percent); and child care and preschool (10 percent)</p> <p>2017-18 and beyond: K-12 schools (85 percent) and child care and preschool (15 percent)</p>
Does Measure Address Realignment Revenue Shift?	Yes	No	No
Relationship to Proposition 98 Funding	New revenues count toward the Proposition 98 guarantee.	New revenues are on top of the Proposition 98 guarantee.	New revenues are on top of the Proposition 98 guarantee.
Temporary or Permanent?	Income tax: 2012-2016 Sales tax: 2013-2016	Permanent	2013 through 2024
Revenues Available To Close 2012-13 Budget Gap	\$4.4 billion	None	\$1.5 billion
Revenues Available To Close Budget Gap in First Full Year of Implementation	Approximately \$4.4 billion	None	\$3.0 billion
Sponsor	Governor Brown	California Federation of Teachers	Molly Munger

Note: Personal income tax cutoffs apply to married/joint filers except for the CFT "Millionaires Tax" initiative, in which the cutoffs apply to all taxpayers.

Source: Department of Finance and Legislative Analyst's Office

