



# *Edwin Lombard Management, LLC*

Consultant Small Business Advocate

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My name is Edwin Lombard and I am a long-time advocate for minority businesses in California.

Our community has been struggling for years under steadily increasing taxes, costly regulations and the high cost of doing business in California.

We are dismayed that this Commission intends to consider recommending that the Legislature raise taxes even higher in what can only be described as a misguided attempt to stabilize the state's revenue cycle. The Legislature already raised our taxes by \$12.5 billion earlier this year.

I can't stress strongly enough that even a few dollars more in higher taxes will make the difference between many minority-owned businesses staying open and closing their doors. That will mean job lay-offs, and less corporate and personal income tax revenue for the state.

Let me put this in perspective for you. The state's Employment Development Department reports that the unemployment rate among blacks is the highest in California – 14.2 percent. That's a 66% increase over the last two years.

Our businesses and our communities can't afford any new taxes or any tax increases. Period.

It's particularly troubling that you're thinking about new taxes on gasoline and diesel fuel, and on oil extraction, which according to the paperwork are intended to keep gas prices high. The Air Resources Board and others have found that higher gas prices hit small businesses and low-income families the hardest. Unfortunately, that means minority-owned businesses, workers and communities will be disproportionately harmed by these taxes.

California doesn't have a revenue problem – it has a spending problem. Taxing minority-owned businesses and struggling families isn't the answer.

We urge you to look to controlling spending – not increasing taxes – as the way to save California's economy in the 21<sup>st</sup> Century.