Commission on the 21st Century Economy

June 16, 2009
9:00 a.m.

University of California, Los Angeles
De Neve Plaza, Plaza Room
De Neve Commons
351 Charles E. Young Drive, West
Los Angeles, CA 90095

1. Welcome and Call to Order
   Chairman Parsky

2. Public Comments

3. Comments from Commissioners

4. Presentation on a Business Net Receipts Tax
   Robert Cline, Director
   State and Local Tax Policy Economics
   Quantitative Economics and Statistics
   Ernst & Young LLP

   BREAK

5. Staff Presentation of Tax Alternatives
   See Attachment

   LUNCH

6. Commission Discussion

   BREAK

7. Commission Discussion

Note: Agenda items may be taken out of order.

For additional information, contact (916) 322-2263 or comment@cotce.ca.gov.
Meeting materials are made available on our website www.cotce.ca.gov.

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Commission on the 21st Century Economy

Tax Packages

Package 1
Uniform Personal Income Tax
- 6% rate—no exemption amount, no deductions, no credits
- 6% rate—$5k/person exemption amount, with certain deductions
Eliminate Corporation Tax
Eliminate State Sales Tax
Business Net Receipts Tax

Package 2
Simplified Personal Income Tax
- Three brackets, rates of 0%, 4%, 7%—current credits and deductions
Investment Tax Credit
Reduce Corporation Tax Rate to 7%
Reduce Sales and Use Tax by 1%
Business Net Receipts Tax

Package 3
Simplified Personal Income Tax
- Three brackets, rates of 0%, 4%, 7%—$5k/person exemption amount, deductions for mortgage interest, charitable, property taxes
Eliminate State Sales Tax on business investment purchases
Reduce Corporation Tax Rate to 7%
Reduce Sales and Use Tax by 1%
Business Net Receipts Tax

Options

Option A
Carbon Tax on Gas, Diesel and Jet Fuel at $0.18/gallon.

Option B
Capital Gains Rate Reductions of 1%, 2%, 3%, 4% and 5%.