California Schools and Local Communities Funding Act of 2018

Talking Points

Core Message: Restore over $11 Billion a year for schools and local communities by making corporations pay their fair share without raising taxes on homeowners, renters, or small businesses.

TALKING POINTS:

➢ It is time to restore over $11 billion a year to our schools, community colleges, libraries, parks, roads, health clinics, first responders, affordable housing and other vital community services by closing the Prop. 13 Corporate Loophole.

➢ This massive loophole in Proposition 13 allows millionaires, billionaires, and corporations to avoid paying over $11 billion in commercial property taxes every year.

➢ Trump’s massive corporate tax giveaway will harm California schools and local communities while benefitting the same millionaire, billionaire, and corporate landowners who pocket billions from the Prop 13 Corporate Loophole.

➢ This plan will not raise taxes on homeowners, renters, or small businesses.

➢ This plan is supported by a broad and growing coalition representing local communities, faith based organizations, labor groups, and elected officials.

Protects Homeowners and Renters: Closing the Prop. 13 Corporate Loophole will NOT change Prop. 13 for homeowners or renters. Voters passed Prop. 13 to protect people, not corporate landowners.

Fixes an Unfair Tax System: Because a small number of commercial property owners don’t pay their fair share, everyone else in California pays more. Only 8% of commercial properties get 77% of the money from the Prop. 13 Corporate Loophole - but it costs our schools and local communities over $11 billion a year. This has resulted in higher income, sales, and local taxes for everyone else. Closing the Prop. 13 Corporate Loophole is the only fair way to restore billions in funding for our schools and local communities without raising taxes on homeowners or renters.

Is Good for Business: The current system penalizes new businesses. Only 8% of commercial properties get 77% of the tax savings from this loophole. It is anti-competitive.
to tax two identical properties at vastly different amounts. Taxing all commercial properties at their fair market value will restore billions in revenue for education and infrastructure improvements needed to grow our economy. Closing the Prop. 13 Corporate Loophole is needed for California to remain a leader in technology and innovation.

**Protects California from the Trump Agenda:** Californians are angry that Trump cut taxes for commercial property owners and at the same time raised taxes on homeowners. The $1.5 trillion federal tax cut included special exemptions for commercial property owners, like Trump, while increasing taxes on Californians. At the same time, California faces federal cuts to education, healthcare, and emergency services. Closing the Prop. 13 Corporate Loophole is the only fair way to protect California without raising taxes on homeowners and renters.

**Funds Schools:** The Prop. 13 Corporate Loophole has decimated funding for our schools. California once had one of the best public school systems in the country. Today our schools are ranked 44th in per pupil funding and have the most overcrowded classrooms in the nation. To restore desperately needed school funding we must close the Prop. 13 Corporate Loophole.

**Funds Public Safety:** The Prop 13 Corporate Loophole has decimated funding for firefighters and first responders. Decades of budget cuts have forced cities and counties to cut staff and close fire stations. Recent catastrophic wildfires show that our public safety net is being stretched to the breaking point. To protect our communities we must close the Prop. 13 Corporate Loophole.

**Funds Housing and Transportation Infrastructure:** The Prop. 13 Corporate Loophole has decimated funding for affordable housing, roads and public transit. Local governments are unable to fund affordable housing and infrastructure improvements without new taxes, bonds or impact fees. According to the Department of Transportation a shocking 68% of California’s roads are in poor condition. To fix our neglected infrastructure we must close the Prop. 13 Corporate Loophole.

**Funds Access to Health Care:** The Prop. 13 Corporate Loophole has decimated funding for health clinics, trauma centers and access to healthcare. While health insurance has expanded, access to quality care has stagnated because cities and counties don’t have the resources to serve the communities who need it most. To protect our state and fund our vital health services we must close the Prop. 13 Corporate Loophole.

**Funds Vital Community Services:** The Prop. 13 Corporate Loophole has decimated funding for community services that benefit everyone. Our cities and counties have been forced to close local libraries and parks as well as cut youth, senior, and homeless services. Now Trump is threatening California with severe budget cuts for health and community services. To protect our state and fund our vital services we must close the Prop. 13 Corporate Loophole.