

June 25, 2008

To: California State Legislators
Governor Arnold Schwarzenegger

RE: PLEASE CONSIDER RAISING MY TAXES

I am an employee of the San Diego Community College District. We serve over 100,000 students every year. However, the current State budget crisis threatens to severely limit both the quality of the services we provide and the number of students we can serve.

I realize that expenditures must be reduced in order to close the budget gap. I also realize that we cannot balance the budget on cuts alone. That is why **I am urging you to consider raising taxes and I am willing to pay my fair share** in order to close this deficit and provide a more stable funding mechanism to help avoid these crises in the future.

Despite a huge budget deficit, California's tax system leaves out opportunities to increase revenue through the closing of loopholes, exclusions, and the implementation of progressive taxation alternatives. I urge you to consider the following potential revenue sources while building the 2008-09 budget:

How to build a bigger state coffer	
<i>Big ticket items: A billion at a time</i>	
\$4.8 billion	Restore Vehicle License Fee tax rate to 2 percent
\$4.5 billion	Tax large corporate commercial property at market value
\$2.8 billion	Begin 5 percent surtax on income before tax deductions considered
\$2 billion	Restore upper income tax brackets at 10 and 11 percent
\$1.3 billion	Increase corporate tax rate by 1 percent to 9.84 percent
\$1.2 billion	Initiate sales tax on legal services
\$1 billion	Initiate a 6 percent tax on oil production
<i>Smaller ticket items: A million at a time</i>	
\$700 million	Limit corporate use of R&D credits and loss carryforward to shelter income
\$400 million	Cap mortgage interest deductions at \$500,000 of debt
\$300 million	Restore Subchapter S corporation tax rate to 2.5 percent
\$280 million	Initiate sales tax on cable TV and other program distribution
\$100 million	Crack down on corporate tax evaders
\$100 million	End enterprise zone program
\$50 million	Eliminate incentive for commercial property owners to buy out-of-state property and avoid capital gains
\$26 million	End ability to avoid paying sales tax on yachts
<i>\$19.56 billion total — could more than close the \$16 billion deficit</i>	

As a middle class tax payer and public employee, **I am willing to pay more in taxes** in order to ensure vital state services are not cut. I am now urging you to do your part and pass a balanced budget that includes permanent revenue increases.

Sincerely,