

RESOLUTION NUMBER R- 306224
DATE OF FINAL PASSAGE OCT 26 2010

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO OPPOSING PROPOSITION 24, A
MEASURE TO REPEAL LAWS PROVIDING FOR
CERTAIN CORPORATE TAX BREAKS, ON THE
NOVEMBER 2010 GENERAL ELECTION BALLOT.

WHEREAS, Proposition 24, a state initiative measure that would repeal laws that allow certain corporate tax breaks to stimulate California’s economy, will be submitted to San Diego voters on the November 2010 ballot; and

WHEREAS, the measure would roll back laws that allow businesses to carry back losses, share tax credits with affiliated corporations, and allow multistate businesses to use a sales-based income calculation to lower taxable income; and

WHEREAS, the laws to be repealed allow businesses to shift operating losses to prior tax years and extend the period permitted to shift operating losses to future tax years; and

WHEREAS, the state’s Legislative Analyst estimated that the measure, if approved, would increase annual business tax revenue by about \$1.7 billion when fully phased in; and

WHEREAS, supporters of the measure argue that the tax breaks need to be repealed to increase state revenues; and

WHEREAS, opponents of the measure argue the initiative taxes new job creation when unemployment is high; and

WHEREAS, opponents of the measure include the California Taxpayers’ Association, California Business Roundtable, California Chamber of Commerce and BIOCUM; and

WHEREAS, the Intergovernmental Relations Department of the City of San Diego has stated that the region's business organizations are highly supportive of the tax breaks because they enable the region to retain and grow a number of high tech, life science and biotech companies; and


WHEREAS, the Intergovernmental Relations Department of the City of San Diego also stated that the measure repealing the tax breaks has the potential to negatively impact high tech, biotech, clean tech and other innovation "clusters" of the City, and recommends that the City Council oppose the measure; and

WHEREAS, the City Council's Committee on Rules, Open Government and Intergovernmental Relations voted at its meeting of September 22, 2010 to recommend that the City Council oppose Proposition 24; and

WHEREAS, no public funds shall be used in the campaign for or against the measure;
NOW, THEREFORE,

BE IT RESOLVED, that the San Diego City Council opposes Proposition 24, a measure on the statewide ballot that would repeal laws providing for certain corporate tax breaks, and which will be submitted to San Diego voters on the November 2010 ballot.

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Sharon B. Spivak
Deputy City Attorney

SBS:als
10/07/10
Or.Dept:Rules Committee

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of OCT 18 2010.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 10-26-10
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor