



# Commission on the 21<sup>ST</sup> Century Economy

**Members:**  
Gerald Parsky, Chair  
Ruben Barrales  
Michael Boskin  
John Cogan  
Edward De La Rosa  
Christopher Edley, Jr.  
George Halvorson  
Bill Hauck  
Jennifer Ito  
Fred Keeley  
Monica Lozano  
Becky Morgan  
Richard Pomp  
Curt Pringle

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](mailto:comment@cotce.ca.gov).  
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## 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%.