

Specific tax proposals in the GPCA draft platform are:

- 1) *Reduction and eventual elimination of all taxes on salaries and wages, replaced by graduated tax rates on gross rents, gross business receipts and resource-based taxes.*



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- 2) *Elimination of sales taxes. Moreover, because tangible personal property is primarily taxed and services are not generally taxed, a higher percent of sales tax is paid by poorer people who don't often use high-priced services. The Green Party supports a gross receipt tax paid by the largest businesses (which would be far less than the current 7.25% to 8.75% sales tax rate – perhaps only 0.5-2%) to offset the revenue lost from repealing sales taxes.*

The Green Party supports the following tax proposals:

Taxes on business "net income" should be eliminated and replaced with far lower tax rates on "gross income" earned in California. This change will not only significantly reduce government expenditures to administer the current tax system, but will capture far more tax revenue from overseas companies and will benefit California companies who employ California workers and who invest in the local California economy.

The Green Party proposes a modest 1-3% graduated gross receipts tax to begin to replace the current business tax system, until determining which graduated tax rates on gross receipts are needed to offset all current taxes paid by businesses. To prevent any cumulative "tax on tax" issues from business purchases from their suppliers, we support a full credit for any gross receipts taxes paid on a business' purchases, which is similar to offset mechanism used for value added taxes in other countries.

The Green Party also proposes a 10% tax on adjusted gross rent, phased in by 2% over a 5 year period. Each year 50% of the money collected would be used to give a rebate check to each individual California taxpayer, and 50% would be used to pay off outstanding state bonds. When the state bonds are finally paid, all of the tax proceeds from the tax on gross rents would be rebated to individual taxpayers. Adjusted gross rent is the gross rents received by a land and building owner, less their direct costs for building maintenance, utilities and supplies.

Sales taxes are one of the most regressive taxes on working people, especially for lower income individuals who pay a much higher percentage of their income on sales taxes. Moreover, because tangible personal property is primarily taxed and services are not generally taxed, a higher percent of sales tax is paid by poorer people who don't often use high-priced services. The Green Party supports a gross receipt tax paid by the largest businesses (which would be far less than the current 7.25% to 8.75% sales tax rate – perhaps only 0.5-2%) to offset the revenue lost from repealing sales taxes.

Specific tax proposals in the GPCA draft platform are:

The Green Party supports the following tax proposals:

- 3) *Elimination of landlord and speculator loopholes from the existing tax system and redirecting these tax subsidies into building new limited-equity ownership housing within existing urban boundaries.*

Currently the federal and state governments give hundreds of millions of dollars in tax subsidies to landlords and real estate speculators – interest write-offs, depreciation deductions, capital gain exclusions and a host of other loopholes, exemptions and exclusions. These loopholes are available to already built assets so the tax subsidies do not help produce anything new of value to society, but only serve to enrich landlords and speculators. These tax subsidies also cause real estate prices to be higher than they would be if they were eliminated and make it more difficult for families to afford a home.

This change to the current tax system will provide more home ownership opportunities, reduce the cost of housing, prevent urban sprawl, and bolster local transportation systems and businesses.

- 4) *Implementation of a more robust and nuanced approach to California property taxation that not only addresses Proposition 13 for all business property – including residential rental property - regardless if the property is owned by a corporation, partnership, family trust, LLC or other entity.*

The Green Party fully supports California Proposition 13 that protects homeowners from displacement, and supports property tax exemptions for small businesses that do not make a profit. The Green Party also supports a property tax system that makes a distinction between land (higher tax) versus improvements upon the land (low or no tax) to be consistent with Green Party values for preserving land for public use, agriculture, open space, and encouraging development to appropriate locations.

- 5) *Redirection from using bond financing to pay for necessary government goods and services to using a pay-as-we-go system using taxes on gross rents and gross receipts.*

Bond financing is regressive, non-sustainable and saddles our children and grandchildren with the debt from our public consumption, while transferring billions of dollars of interest payments from California taxpayers to the wealthiest individuals and companies. Other taxes such as those proposed above are far more just and sustainable than bond financing.

- *[Note that Items 3) and 4) outline of the Green Party's sustainable land use tax policy is reflected in Ten Key Values of Ecological Wisdom and Future Focus and Sustainability's call for developing sustainable economics that does not depend on continual expansion.]*

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