

The Attorney General of California has prepared the following title and summary of the chief purpose and points of the proposed measure:

**TAX ON CONTROLLED SUBSTANCES. INITIATIVE STATUTE.** For three years beginning January 1, 2013, imposes a tax of \$.0025 per pill upon drug manufacturers and importers that make initial sale of a Schedule II, III, or IV controlled substance in California. Provides revenue to fund California Department of Justice's program to monitor prescription and dispensation of controlled substances, administration costs, outreach, education, and investigation of abuses. Requires any person that manufactures Schedule II, III, or IV controlled substances in California, or imports them into California, to register with the California Department of Justice for purposes of tax compliance. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: **Increased state revenues of approximately \$7 million annually from a new tax on prescription drugs. The revenues would be used to increase spending on a prescription drug database maintained by DOJ.** (11-0045)