

October 5, 2007

Office of the Attorney General
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INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Request for Title and Summary

Dear Sir or Madam:

This letter serves as a formal request that the California Attorney General prepare a title and summary of the chief purpose and points of the proposed initiative (Section 9002).

The full text of the proposed initiative is enclosed, as is the \$200.00 fee.

Regards,

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INITIATIVE MEASURE TO BE SUBMITTED DIRECTLY TO THE VOTERS

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

(Insert title and summary provided by CA Attorney General here)

TO THE HONORABLE SECRETARY OF STATE OF CALIFORNIA

We, the undersigned, registered, qualified voters of California, residents of _____ County (or City and County), hereby propose amendments to the Revenue and Taxation Code, relating to tax deductions, and petition the Secretary of State to submit the same to the voters of California for their adoption or rejection at the next succeeding general election or at any special statewide election held prior to that general election or otherwise provided by law. The proposed amendments (full title and text of measure) read as follows:

SECTION 1. The people of the State of California find and declare all of the following:

(a) The importance of nutrition and the benefits of dietary supplements to health promotion and disease prevention has increasingly been documented in scientific studies.

(b) There is a link between the ingestion of certain nutrients or dietary supplements and the prevention of chronic diseases such as cancer, heart disease, and osteoporosis. Clinical research has shown that several chronic diseases can be prevented simply with a healthful diet that is low in fat, saturated fat, cholesterol, and sodium, with a high proportion of plant-based foods. Healthful diets may mitigate the need for expensive medical procedures like coronary bypass surgery or angioplasty.

(c) Preventive health measures, including education, good nutrition, and appropriate use of safe nutritional supplements, will limit the incidence of chronic diseases and reduce long-term health care expenditures. The promotion of good health and healthy lifestyles improves and extends lives while also

reducing health care expenditures. Reducing health care expenditures is of paramount importance to the future of the state and the economic well-being of the state.

(d) Consumers should be empowered to make choices about preventative health care programs based on data from scientific studies of health benefits related to particular dietary supplements.

(e) Studies indicate that consumers are increasingly relying on nontraditional health care providers to avoid the excessive costs of traditional medical services and to obtain more holistic consideration of their needs.

(f) National surveys have revealed that many Americans regularly consume dietary supplements of vitamins, minerals, or herbs as a means of improving their nutrition. Dietary supplements are of benefit to human health and are safe within a broad range of intake, whereas safety problems associated with the supplements are relatively rare.

(g) Individuals with chronic conditions like heart disease, diabetes, chronic inflammatory conditions, metabolic disorders, and children with inborn metabolic disorders and autism, frequently require daily dietary interventions as well as medical interventions to manage their conditions. Dietary interventions often become a significant economic burden on those individuals and their families.

(h) The impact of allowing a medical expense tax deduction will be positive, as it will encourage individuals to proactively support their own health with the result of a healthier population in our state, a lessened need for medical interventions, and a decrease in the overall burden on the state's health care system.

SECTION 2. Subsection 17072(c) is added to the Revenue and Taxation Code, to read:

17072. (c) Section 62(a) of the Internal Revenue Code is modified to provide that the term "adjusted gross income" includes, in the case of an individual, gross income minus the amount of costs paid or incurred by a taxpayer, his spouse, or a dependent (as defined in section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof) during the taxable year for dietary supplements and foods for special dietary needs.

(1) For purposes of this subsection:

(A) "Dietary supplement" means a product that is all of the following:

(i) Intended to supplement the diet and bears or contains one or more of the following dietary ingredients:

a) A vitamin.

b) A mineral.

c) An herb or other botanical.

d) An amino acid.

e) A dietary substance for use by humans to supplement the diet by increasing the total dietary intake.

f) A concentrate, metabolite, constituent, extract, or combination of any ingredient described in clauses a) to e), inclusive.

(ii) a) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form. If the product is not intended for ingestion in a form described in the preceding sentence, the product is not represented as conventional food and is not represented for use as a sole item of a meal or diet.

b) For purposes of this subparagraph, a product shall be considered intended for ingestion in liquid form only if it is formulated in a fluid carrier and is intended for ingestion in daily quantities measured in drops or similar small units of measure.

(iii) Is labeled as a dietary supplement.

(B) "Food for special dietary needs" means food for human consumption that is any of the following:

(i) Consumed to treat or control a medical condition.

(ii) It fulfills a special dietary need that arises because of a medical condition.

(iii) Consumed as a substitute for certain types of food because a medical condition prevents or prohibits the consumption of those types of food.

(iv) It supplies a vitamin, mineral, or other ingredient used to supplement a diet by increasing the total dietary intake.

(v) It fulfills a special dietary need because it is used as the sole item of the diet.

(2) The deduction provided for by this subsection shall apply to taxable years in accordance with subdivision (a) of section 17034.

SECTION 3. Section 17204 is added to the Revenue and Taxation Code, to read:

17204. (a) For purposes of the deduction allowed by Section 17201, Section 213(d) of the Internal Revenue Code is modified to provide that “medical care” includes the amount of costs paid or incurred by a taxpayer, his spouse, or a dependent (as defined in section 152, determined without regard to subsections (b)(1), (b)(2), and (d)(1)(B) thereof) during the taxable year for dietary supplements and foods for special dietary needs.

(b) For purposes of this section:

(1) “Dietary supplement” means a product that is all of the following:

(A) Intended to supplement the diet and bears or contains one or more of the following dietary ingredients:

(i) A vitamin.

(ii) A mineral.

(iii) An herb or other botanical.

(iv) An amino acid.

(v) A dietary substance for use by humans to supplement the diet by increasing the total dietary intake.

(vi) A concentrate, metabolite, constituent, extract, or combination of any ingredient described in clauses (i) to (v), inclusive.

(B) (i) Is intended for ingestion in tablet, capsule, powder, softgel, gelcap, or liquid form. If the product is not intended for ingestion in a form described in the preceding sentence, the product is not represented as conventional food and is not represented for use as a sole item of a meal or diet.

(ii) For purposes of this subparagraph, a product shall be considered intended for ingestion in liquid form only if it is formulated in a fluid carrier and is intended for ingestion in daily quantities measured in drops or similar small units of measure.

(C) Is labeled as a dietary supplement.

(2) "Food for special dietary needs" means food for human consumption that is any of the following:

(A) Consumed to treat or control a medical condition.

(B) It fulfills a special dietary need that arises because of a medical condition.

(C) Consumed as a substitute for certain types of food because a medical condition prevents or prohibits the consumption of those types of food.

(D) It supplies a vitamin, mineral, or other ingredient used to supplement a diet by increasing the total dietary intake.

(E) It fulfills a special dietary need because it is used as the sole item of the diet.

(3) "Medical condition" means any of the following:

(A) A genetic, physical, physiological, or other conditions, including, but not limited, to convalescence, pregnancy, lactation, infancy, allergic hypersensitivity to food, underweight, overweight, or the need to control the intake of sodium.

(B) A disease, including, but not limited to, cardiovascular disease, acquired immune deficiency syndrome, cancer, or diabetes.

(c) The deduction provided for by this section shall apply to taxable years in accordance with subdivision (a) of section 17034.

SECTION 3. This act may be amended by the Legislature by a measure passed in each house, by rollcall vote entered in the journal, two-thirds of the membership of each house concurring, that is consistent with and furthers the purpose of the act.