

Date: September 11, 2009
Initiative 09-0020

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

**REPEALS RECENT LEGISLATION THAT WOULD ALLOW BUSINESSES TO
CARRY BACK LOSSES, SHARE TAX CREDITS, AND USE A SALES-BASED**

INCOME CALCULATION. INITIATIVE STATUTE. Repeals recent legislation that would allow businesses to shift operating losses to prior tax years, and would allow corporations to share tax credits with affiliated corporations, to lower taxable income. Repeals recent legislation that would allow multistate businesses to use a sales-based income calculation, rather than a combination property-, payroll- and sales-based income calculation, to reduce taxable income.

Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: Annual state revenue increase from business taxes of about \$1.7 billion when fully phased in, beginning in 2011-12. (09-0020.)