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CALIFORNIA ASSEMBLY - TAXES

ACA-11 (2021-2022)

An excise tax that would fund health care coverage, AB-1400 and cost control systems.

District 27 Assembly Member Ash Kalra - District 25 Assembly Member Alex Lee

Summary

- The proposal would establish an excise tax, payroll tax, and state personal income tax to fund CalCare, universal single-payer health care coverage for California residents.
- This measure would tax four groups:
 - 1. Tax on business with at least \$2 million in gross receipts. The tax is on gross receipts rather than profit, and even with a loss, businesses would be required to pay the tax.
 - 2. Companies with 50 or more employees would have higher payroll taxes.
 - 3. Payroll tax increase on employees making \$49,900 or more.
 - 4. Income tax increase on incomes over \$149,509.

Status

History: 11/30/22 - Died at Desk.

Position

- LASCC's Position: Oppose
- The estimated additional taxes were originally \$163 billion and now some of the proposers themselves have acknowledged that the cost could be as high as \$200 billion with other economic experts believing it could be as high as upwards of \$400 billion. The measure would authorize the Legislature, upon an economic analysis determining insufficient amounts to fund these purposes, to increase any or all of these tax rates by a statute passed by a mere majority vote of both houses of the Legislature rather than 2/3 vote. Employers will have a difficult time raising wages for employees, especially since some employers could be taxed on 3 out of 4 of the groups.

Read the bill. Click Here

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