

Ray McNally & Associates, Inc.
CAUTI 'PROP 99 EDITORIAL & ARTICLE

Draft 3

EDITORIAL

No on Unfair and Discriminatory Taxes
No on Proposition 99

Proposition 99 singles out one group of Californians for a staggering 250% tax increase -- and that's just not fair.

Worse, the tax imposed by Proposition 99 is extremely "regressive," meaning it will have the biggest impact on those who can least afford to pay -- working families, the poor and people living on fixed incomes.

Last year the National Black Caucus of State Legislators opposed a similar plan to raise the federal tax on cigarettes, arguing that such taxes place an unfair burden on lower wage earners and the poor.

Based on a study by the Congressional Budget Office, taxes of this kind would hit working families up to 15 times harder than wealthy taxpayers.

California's working families already pay more than their fair share of the taxes. A recent study by Citizens for Tax Justice showed that California's current sales and excise taxes can hit poor families nearly five times harder than they do wealthy taxpayers. The report also revealed that regressive

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SENT BY: TOWNSEND AND COMPANY (02-6-88 1:09PM)

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taxes like those imposed by Proposition 99 can take up to three times more money from middle-income families than from the wealthy.

Proposition 99 will make this unfair situation even worse. Under the initiative, working men and women who earn just 7% of all wages paid in California will be obliged to pay almost 40 percent of the new tax.

Proposition 99 is unfair and discriminatory -- and must be defeated.

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ARTICLE

PROP. 99 TAKES FROM POOR, GIVES TO RICH

Proposition 99 would more than triple California's tobacco tax, hurting the people who can least afford to pay -- working families, retired people and the poor.

Working men and women who earn just 7 percent of all wages paid in California will pay about 40 percent of the new tax because blue collar and lower income workers smoke more than middle and high income workers and spend a bigger share of their income on tobacco products.

How Prop. 99 Could Hurt Low-Income Californians

If Proposition 99 passes, a one-pack-per-day smoker will pay \$91.25 more in cigarette taxes and \$5.48 more in state sales taxes every year.

Proposition 99 also would wipe out most of the savings from the 1986 federal tax reform bill for millions of Californians. Smokers earning under \$10,000 a year would pay almost four times more in new taxes than they would save in federal taxes.

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National Black Caucus Defeats Regressive Taxes

Regressive taxes like Proposition 99 were opposed in Congress last year by the National Black Caucus of State Legislators, the Mexican-American Political Action Association and a number of other highly respected groups.

Rep. Mervyn M. Dymally, Chairman of the Congressional Black Caucus, said "the people who are hurt" by these taxes are the least able to bear the burden and are "not organized to protest" them.

Rep. Charles Rangel of New York also spoke out against the regressive federal excise taxes. He suggested that Congress should consider taxing luxury items like yachts or gems instead of "the guy who wants to buy a six pack [of beer] or a carton of cigarettes."

Wealthy Doctors will Profit at Expense of Poor

The backers of Proposition 99 call it a "health initiative" but only 5% of the \$600 million in new taxes would go to health research. The largest share of the money raised would be given to wealthy doctors and the medical industry.

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Without question, Proposition 99 is a bad deal for California taxpayers. It unfairly rewards wealthy doctors at the expense of working taxpayers, retired people and the poor. It discriminates against one group of Californians, punishes them for their behavior and violates their personal freedom. And it will create major new crime in California at a time when law enforcement is hard pressed to meet the challenge.

Fairness alone demands a "no" vote on this ill-conceived and discriminatory measure.

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