



May 8, 2020

The Honorable Nancy Skinner
State Capitol
Sacramento, CA 95814

RE: SB 972 (Skinner) Corporation taxes: disclosure – Support

Dear Senator Skinner:

On behalf of the more than one million members of the California Alliance for Retired Americans (CARA), I am writing in support of SB 972 which would require the disclosure of tax liability and total amount of tax credits claimed by corporations with gross receipts over \$5 billion doing business in California.

SB 972 would give the public and lawmakers the information to determine if the myriad of tax credits available to California businesses is achieving the desired results. While corporate profits are at an all-time high, the proportion of taxes paid by corporations is at its lowest point in over 40 years (down from 15% of General Fund revenues in the 1970's to less than 9%). Tax expenditures are an important tool for recruiting and retaining business in California but it is impossible to assess their effectiveness without specific data.

The same information required under SB 972 is available at the federal level, however, the state tax information is only shared in the aggregate and not specific to any individual state. SB 972 corrects that problem for California. At the federal level, lawmakers can determine if credits or other tax expenditures are being claimed by the intended targets. We think that this tool should be available to California.

While opponents argue that the Covid-19 pandemic makes it unwise to share more taxpayer information for fear that corporations may not take advantage of credits that would spur re-employment, CARA would argue that knowing which companies are taking advantage of these credits is critical to fashioning future response. The federal experience with the small business recovery funds is just the most recent example.

For these reasons CARA Supports SB 972 and respectfully requests your “AYE” vote when it comes before you in committee.

Sincerely,

A handwritten signature in black ink that reads "Hene Kelly".

Hene Kelly
Legislative Director
415-533-5244