

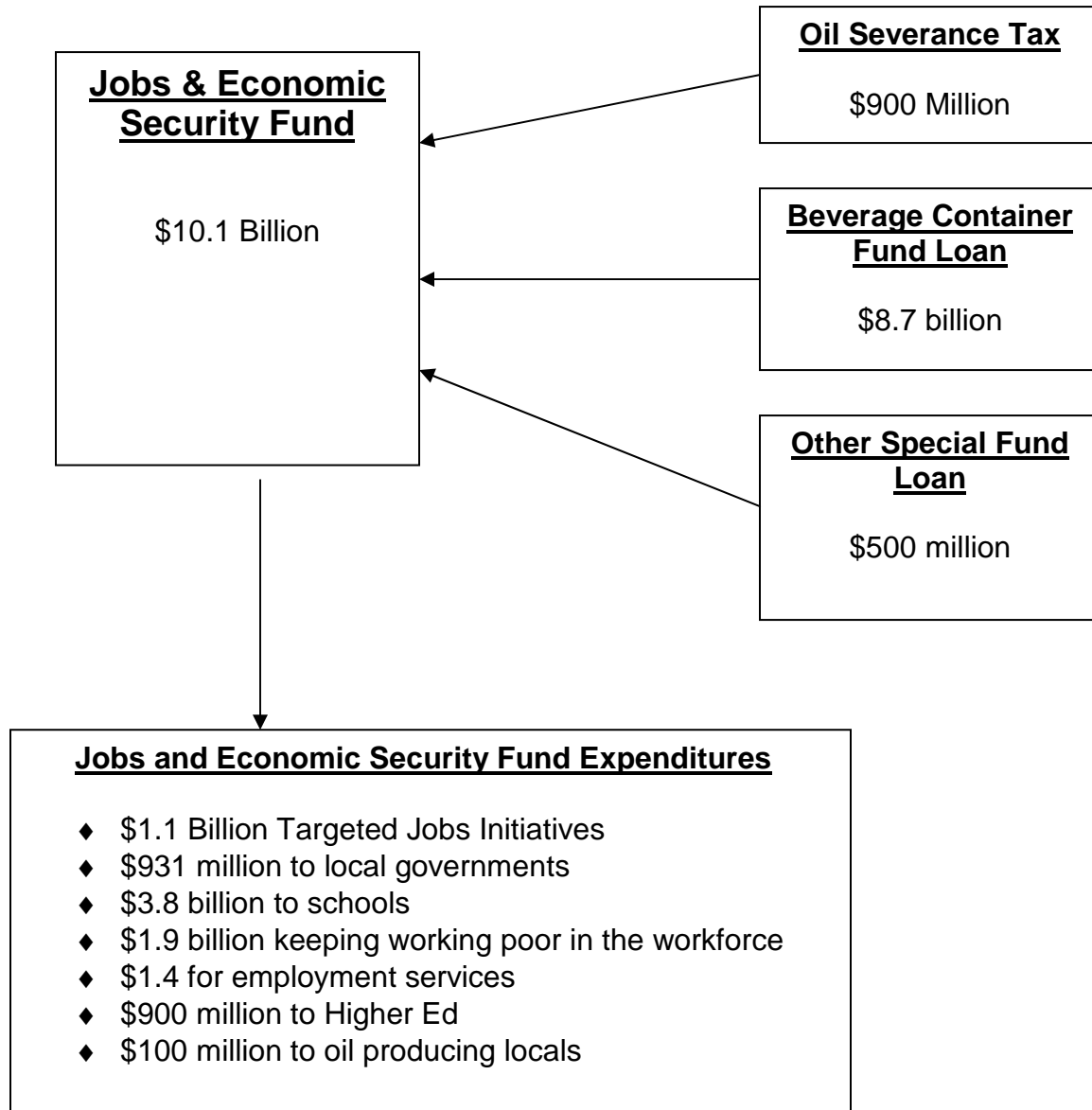


The California Jobs Budget
May 2010

Background Information Regarding
Jobs & Economic Security Fund

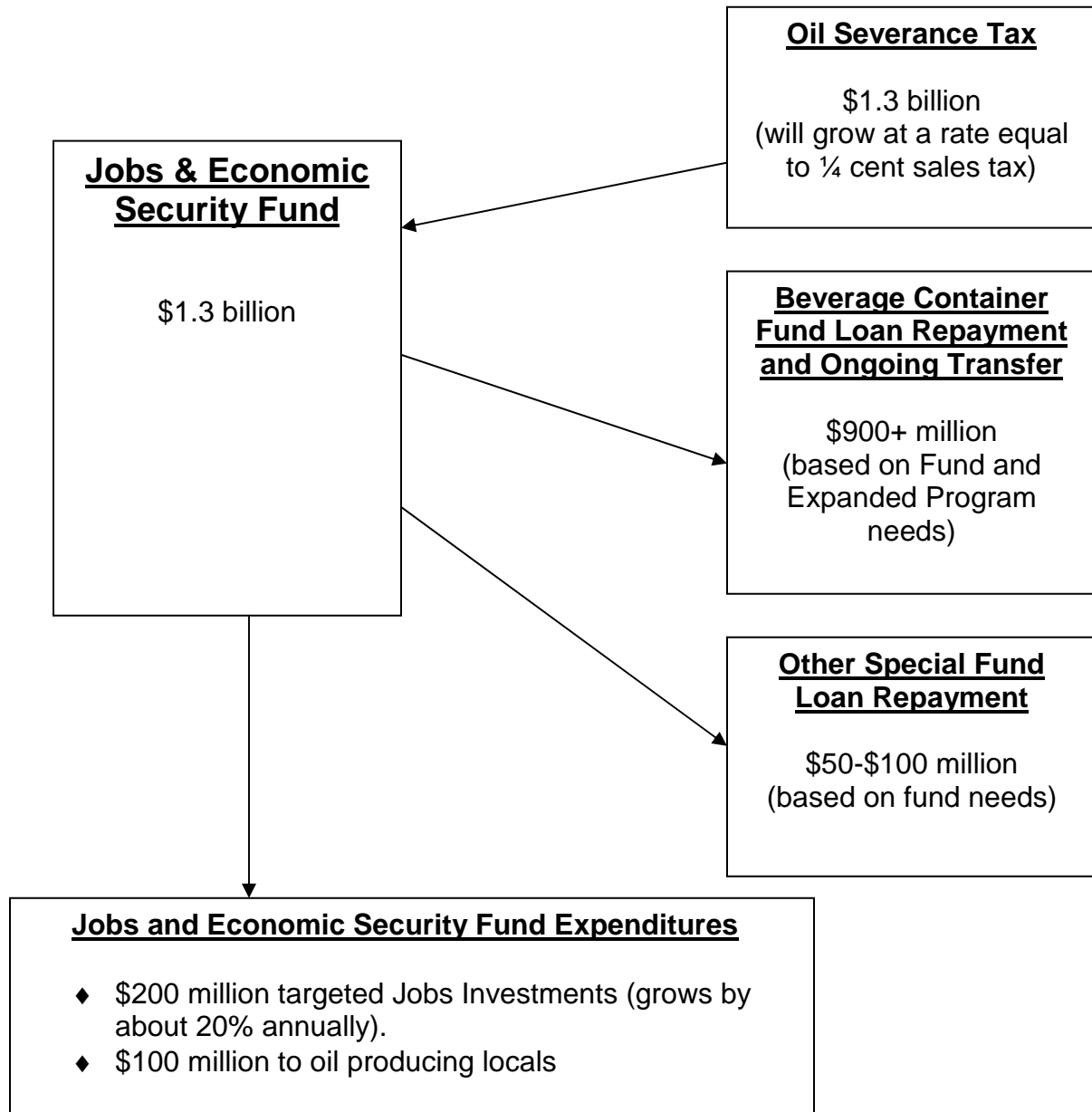
Mechanics of the Jobs & Economic Security Fund

2010-11



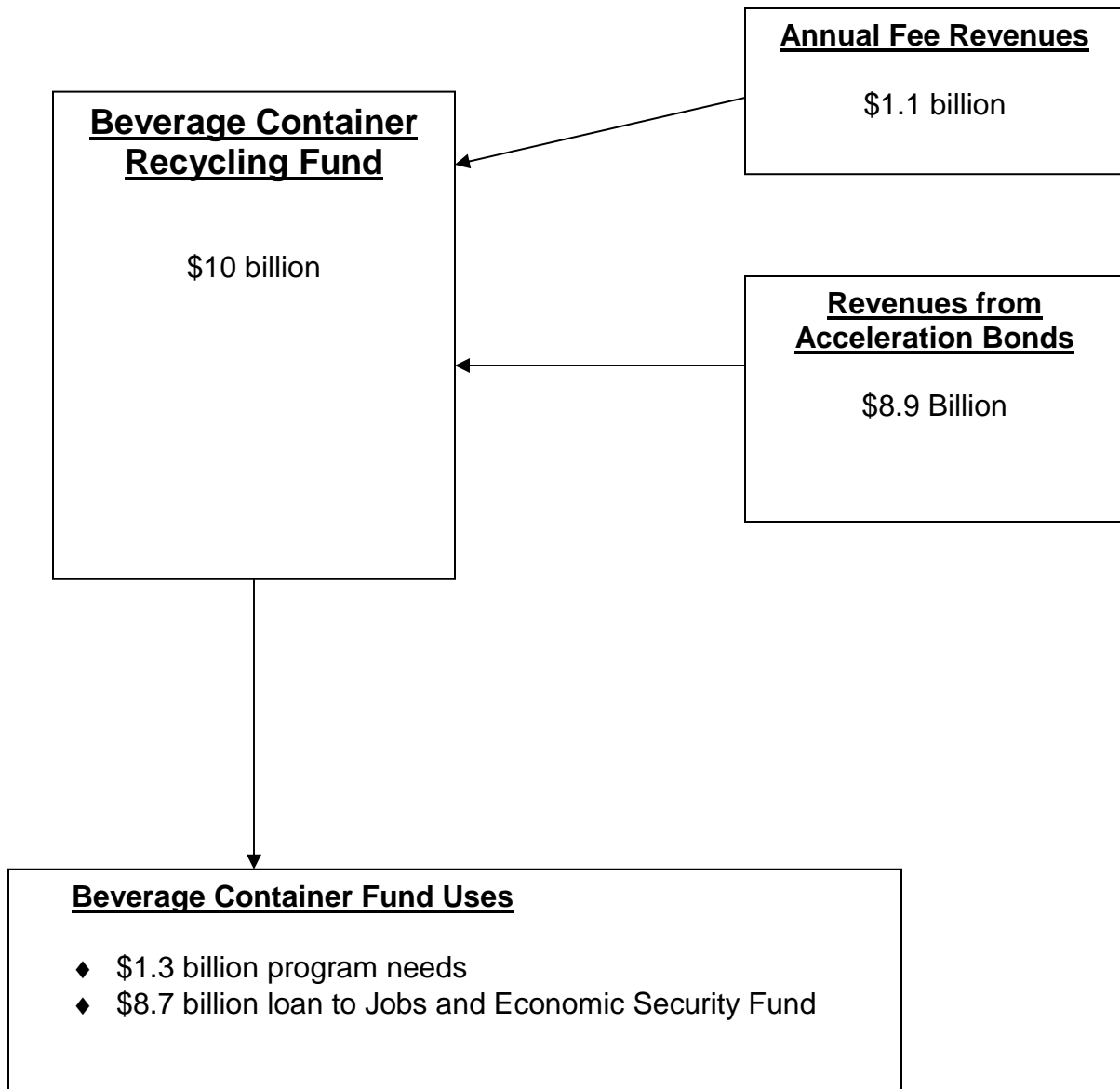
Mechanics of the Jobs & Economic Security Fund

2011-12 – Ongoing

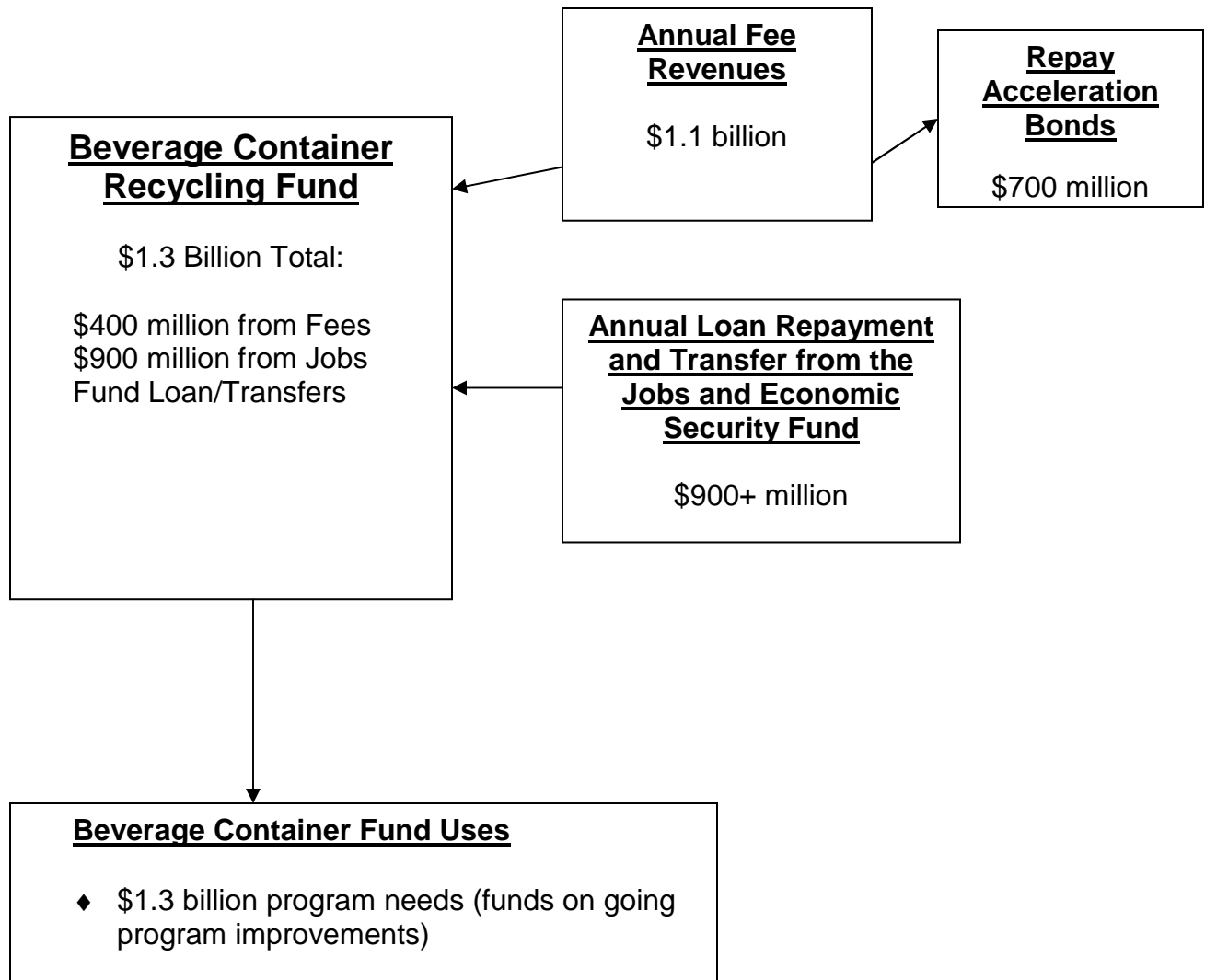


Mechanics of the Beverage Container Recycling Fund Acceleration

2010-11



Mechanics of the Beverage Container Recycling Fund Acceleration 2011-12 – Ongoing



Mechanics of Majority Vote Oil Severance Tax

Review of the "Triple Flip"

- ◆ Flip #1: Reduce Local Sales Tax ¼ Cent.
- ◆ Flip #2: Shift Property Tax from Schools to Local Governments
- ◆ Flip #3: Increase state Sales Tax ¼ cent to repay Economic Recovery Bonds (ERBs).

Two Bill Process:

- ◆ Bill #1: "Single Flip" – (same as SB3X 9)
 - Eliminates Flip #1 and Flip #2 – (the ¼ cent State Sales Tax For ERBs remains in place).
 - This increases the local sales tax and shifts property taxes back to schools.
- ◆ Bill #2: Tax Swap Bill
 - Reduce State Sales Tax by ¼ cent.
 - Establish Oil Severance Tax to raise amount equal to ¼ cent.
- ◆ Summary:

| | Bill #1 (Single Flip) | | Bill #2 (Tax Swap) | | Net Impact Total |
|--------------------------|-----------------------|--------------------|--------------------|---------------|------------------|
| | Local Sales Tax | Property Tax Shift | State Sales Tax | Oil Severance | |
| Local Governments | +\$900 | -\$900 | -- | -- | \$0 |
| General Fund | -- | +\$900 | -\$900 | -- | \$0 |
| Jobs Fund | -- | -- | -- | +\$900 | +\$900 |
| Consumers | +\$900 | -- | -\$900 | -- | \$0 |
| Oil Industry | -- | -- | -- | +\$900 | +\$900 |