



IS CALIFORNIA THE BEST STATE CRONY BILLIONAIRES CAN BUY



Jon Coupal, President of the Howard Jarvis Taxpayers Association, has come out with a powerful call to arms in opposition to a [half dozen ballot initiatives funded by billionaire California crony capitalists, designed to raise taxes and often feather their own pocket-books](#). Having already achieved the dubious distinction of being dubbed [Taxifornia](#), the state of California infamously has America's worst credit rating, second worst unemployment rate, [third worst taxes](#), and [worst state to do business](#) in the nation. Raising taxes through the state initiative process for the benefit of special interest billionaires seems like economic suicide.

In spite of its already brutal tax burden on individuals and businesses, the California state budget is estimated to have a \$13 billion deficit over the next 18 months. [Gov. Jerry Brown last week announced his "leadership of California" is behind a state ballot initiative that would raise income taxes and increase the state sales and income taxes by \\$7 billion per year.](#)

The Howard Jarvis Association pioneered the grass-roots use of the initiative process in 1978 to pass restrictions on rapidly escalating local property tax rates. Because this people's movement passed [Proposition 13](#), California's [real estate taxes are only the 18th worst in the nation](#). This is why the Howard Jarvis Association became so appalled that special interest billionaires are now high jacking the initiative process for their own benefit. Jon Coupal offers as examples:

"Tom Steyer, a billionaire hedge fund manager with major investments in renewable energy, is promoting a \$1.1 billion tax on out of state businesses with operations in California to fund renewable energy projects. His initiative would make California an even more hostile place for businesses to operate, likely kill jobs and raise consumer prices, while diverting taxpayer money to corporate welfare for tycoons such as himself. In 2010, Californians voters rejected the same tax increase on out of state businesses by a 58% to 42% margin

Molly Munger wants to increase income taxes on everyone to raise \$10 billion annually. Munger is the daughter of billionaire Charles Munger, a partner of Warren Buffett at Berkshire Hathaway and is a Los Angeles civil rights lawyer. She has been credited for devoting some of her considerable fortune to support early childhood education, but she now seems intent on compelling everyone else to support the cause she has selected. Regardless of her good

intentions, forcing taxpayers to cough up another \$10 billion will be a substantial additional burden in a state that already ranks third highest in income tax rates.”

The Think Long Committee, funded by Nicolas Berggruen who is often called “the homeless billionaire” because he lives in hotels and does not own a home. Their initiative would raise taxes by \$10 billion on all Californians by charging sales taxes on services, while reducing income taxes on the wealthy.”

The Think Long Committee, according to their website, states that California’s system of governance is broken; *“Meanwhile, decisive and unified leadership elsewhere in today’s world, notably in China, is building for the future”*. The leadership for the new worker’s paradise Mr. Berggruen seems to envision would require the average Californian for the first time to pay a 6.75% sales tax every time they get a haircut, go to the drycleaners, or pay an accountant to calculate their state tax rate. Meanwhile, Mr. Berggruen would grant himself and other benevolent billionaires a [27% state income tax cut](#). To demonstrate that billionaire-money-talks-very-loud in California, Mr. Berggruen has recruited former Governors Grey Davis and Arnold Schwarzenegger, and former Assembly Speaker Willie Brown as his spokespersons.

Mr. Coupal acknowledges the range of motivation for billionaires to fund initiatives that “increase the tax burden on average Californians” may be for *“using other people’s money to help what they believe are good causes, while, for others, it’s just good old fashioned greed -- the measures they support will help themselves.”* But he worries that the California initiative process meant to allow the average citizen to stop special interests in the state legislature, has been corrupted by a small cadre of billionaires with special interests and their crony allies.

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