

TOBACCO INDUSTRY ARGUMENTS AGAINST PROPOSITIONS 99 AND 29 IN THE CALIFORNIA VOTER BALLOT PAMPHLET	
Prop 99 (1988)	Prop 29 (2012)
<p>Prop 99 is trying to trick voters</p> <ul style="list-style-type: none"> • “Read Proposition 99 carefully. You’ll see what serious problems it creates for Californians” • “Don’t be fooled by trendy, noble-sounding rhetoric. <i>Read Proposition 99 carefully.</i> The promoters want you to penalize one group of Californians, impose an unfair tax that falls hardest on lower-income families, and put millions of dollars into their pockets—while encouraging crime... all at the same time. “ • Proposition 99 is less than meets the eye. 	<p>Prop 29 is trying to trick voters</p> <ul style="list-style-type: none"> • “READ THE FINE PRINT FOR YOURSELF” • “Check the facts yourself” • Everyone supports cancer research, but Prop. 29 is thirteen pages of fine print, loopholes and flaws.
<p>Not fair to Californians</p> <ul style="list-style-type: none"> • It would <i>unfairly burden lower-income Californians.</i> Taxes like this take a bigger chunk of a poor family’s income. That’s called “regressive.” Even a 1986 report of the American Hospital Association acknowledges tobacco taxes “tend to produce a regressive distribution of the cost of government programs” • <i>This ballot measure was drafted by one group to punish by taxation the behavior of another.</i> Proposition 99’s promoters would impose their values on everyone, penalizing one segment of society for its conduct. Who will be punished next? Can new taxes on beer, wine, coffee or even red meat and eggs be far behind? 	<p>Not fair to Californians</p> <ul style="list-style-type: none"> • If we're going to RAISE TAXES ON CALIFORNIANS, IT SHOULD BE SPENT IN CALIFORNIA to help create jobs. • Doesn't require new tax revenue be spent in California to create jobs. Money can be spent out of state or even out of country. • "Cancer research is important, but if we're going to spend \$735 million a year, we need to have strict controls and make sure our tax dollars are spent in California. Prop. 29 is flawed and deserves a "no" vote." —Marcy Zwelling, M.D. Past President, LA County Medical Association
<p>Not really a health initiative</p> <ul style="list-style-type: none"> • <i>Proposition 99 is a 250-percent tax increase and special interest giveaway disguised as a health initiative. It is not a smoking ban.</i> 	<p>Not really a health initiative</p> <ul style="list-style-type: none"> • NOTHING FOR CANCER TREATMENT Supporters claim it will help save billions in healthcare costs, but the measure provides NO NEW FUNDING FOR TREATING CANCER PATIENTS (Section 30130.53).
<p>Money from taxpayers will benefit the wealthy</p> <ul style="list-style-type: none"> • If you want to triple a tax...treat many hard-working Californians unfairly, punish some of your neighbors and hand over more money to many wealthy doctors you’ll vote for proposition 99 • Proposition 99 is an excise tax. It hits one group of citizens for what they buy, not what they earn. In 1987 the Congressional Budget Office reported that excise taxes such as tobacco taxes proposed by Proposition 99 are a greater burden on lower-income Americans than other taxes. Tobacco taxes are more unfair than taxes on gasoline, beer, or wine. • “It would <i>enrich the medical industry with hundreds of millions of dollars.</i> A 1987 study indicated one in four doctors surveyed already is a millionaire.” • <i>“This ballot measure was designed to pay off many of its promoters.</i> Most taxes benefit all citizens. But 	<p>Money from taxpayers will benefit the wealthy</p> <ul style="list-style-type: none"> • “Allows for-profit corporations to receive \$500+ million in taxpayer dollars annually.” • Prop. 29 allows spending \$110 million annually on buildings and equipment but doesn't require money to be spent with California universities/hospitals—tax money can be given to huge for-profit corporations (Section 30130.53(d)(2)). • The Commission, with 6 political appointees, can spend an estimated \$15 million on staff salaries and overhead annually, and saddle taxpayers with more pension and healthcare obligations (Section 30130.53(d)(5)). • Prop. 29 EXEMPTS the CEO from hiring/salary requirements (Section 30130.54(d)(2)) so the CEO can be paid hundreds of thousands a year and has the power to hire a huge staff

<p>California’s medical industry would pocket at least \$292 million of these projected taxes each year. And those least able to afford it would feel the sharpest impact of these new taxes. Proposition 99 would create an unacceptable precedent for other self-serving ballot measures sponsored by special interests seeking new tax dollars for their “special agendas”</p> <ul style="list-style-type: none"> • “It would <i>enrich the medical industry with hundreds of millions of dollars</i>. A 1987 study indicated one in four doctors surveyed already is a millionaire.” • “If you want to... hand over more money to many wealthy doctors you’ll vote for proposition 99” 	
<p>Adversely Affects Education</p> <ul style="list-style-type: none"> • The promoters of Proposition 99 have billed it as a health education initiative as well. The promoters say some of the new education money would be used to finance “major local and statewide media campaigns” Don’t be misled. Even the state’s largest teachers organization took no position on this initiative. <i>Earmarking Proposition 99 funds for a health education account could result in a cut in the level of financial support for reading, math and other basic classroom subjects.</i> 	<p>Adversely Affects Education</p> <ul style="list-style-type: none"> • CIRCUMVENTS VOTER-APPROVED INITIATIVE, HURTS SCHOOLS A California voter-approved Constitutional amendment requires that any new taxes help pay for education, but Prop. 29 exempts itself from this requirement, shortchanging our schools by \$300+ million per year (Section 30130.50(c)). We shouldn't let a career politician use a loophole to thwart voter-approved initiatives. • We have a \$10+ billion deficit and voters are being threatened with cuts to schools or higher taxes.
<p>Law enforcement opposes it</p> <ul style="list-style-type: none"> • <i>The California State Sheriffs Association and the California Peace Officers Association know the facts and oppose Proposition 99.</i> • <i>This ballot measure will encourage crime in California.</i> Large tax increases on tobacco products in other states have triggered bootlegging, highjacking, vandalism and other criminal behavior. They create a financial bonanza for street gangs and organized crime. <i>The California State Sheriffs Association and the California Peace Officers Association know the facts and oppose Proposition 99.</i> • “It would <i>invite serious crime</i>. New pressures will be put on police. Officials in 13 states recently joined in a hotline to combat the growing problem of cigarette smuggling. The California State Sheriffs Association and the CA peace Officers Association oppose Proposition 99.” • “It would provide a <i>potential new cash source for street gangs and other criminals</i>. Smugglers could avoid up to \$200,000 in taxes on a truckload of cigarettes bootlegged from another state. Resulting illegal profits could finance the purchase of drugs or guns that could be used against innocent citizens.” 	<p>Law enforcement opposes it</p> <ul style="list-style-type: none"> • “Californians across the state...law enforcement...—say NO to Prop. 29:
<p>Everyone is against it</p>	<p>Everyone is against it</p>

<ul style="list-style-type: none"> Groups representing the needy, minorities, business and labor opposed last year’s proposed federal excise tax increase and Congress rejected it. Similarly, a state tobacco tax increase failed to get one vote in the CA Legislature last year. 	<ul style="list-style-type: none"> Californians across the state—taxpayers, doctors, teachers, law enforcement, small businesses and labor— say NO to Prop. 29:
	<p>Creates a new unaccountable bureaucracy</p> <ul style="list-style-type: none"> Spends \$125 million annually on overhead, bureaucracy, buildings and real estate— money that could be used for cancer treatment. Like High Speed Rail and other Commissions, this BUREAUCRACY GOES ON AND ON. It's a proposition boondoggle like the High Speed "Train to Nowhere" Commission. NO ACCOUNTABILITY Prop. 29 requires a so-called "annual report," but it's WRITTEN BY THE COMMISSION ITSELF and doesn't require grant money to produce results (Section 30130.54(i)). It's a bad idea to create another commission and give it \$735 million annually with no accountability for how it spends the money. Establishes another flawed auto-pilot spending mandate like the High Speed Rail Commission—more waste, no taxpayer accountability. Prop. 29 is an \$735 million annual new tax and spending mandate that creates an unaccountable, government bureaucracy filled with political appointees “Promoted by a career politician” “California politicians need to live within their means” “Permits "conflicts of interest" by allowing organizations represented by Commissioners to receive taxpayer funding.”
	<p>Duplicates Existing Programs</p> <ul style="list-style-type: none"> Duplicates existing programs that already spend \$6 billion annually on cancer research. DUPLICATES EXISTING PROGRAMS Each year, the federal government spends \$6 billion on cancer research and California spends \$70 million on tobacco control programs. Prop. 29 duplicates these existing programs
	<p>Cannot be changed by the governor or the legislature</p> <ul style="list-style-type: none"> In fact, not even the Governor, Legislature or State Auditor has authority to make changes to the initiative for 15 years, even in the case of fraud or waste (Section 6(b)). THAT'S NOT ACCOUNTABILITY! Prohibits the Governor and Legislature from making changes to the initiative for 15 years, even in the case of fraud or waste.
	<p>Does not improve California Budget issues</p>

	<ul style="list-style-type: none"> • RAISES TAXES, BUT DOESN'T CLEAN UP SACRAMENTO'S WASTEFUL SPENDING OR HELP BALANCE OUR BUDGET ...WE CAN'T FUND EXISTING PROGRAMS, YET PROP. 29 RAISES TAXES TO CREATE A WHOLE NEW GOVERNMENT SPENDING PROGRAM. That doesn't make sense.
<p>Signatories</p> <ul style="list-style-type: none"> • Paul Gann, President, The People's Advocate • Vincent Calderon, National Chairman, Latino Peace Officers Association • William Baker, Vice Chair, Assembly Ways and Means Committee • Richard Floyd, Chair, Assembly Governmental Organizations Committee 	<p>Signatories</p> <ul style="list-style-type: none"> • Teresa Casazza, President, California Taxpayers Assn. • La Donna Porter, MD, Former President, Golden State Medical Association • Julian Canete, President , California Hispanic Chambers of Commerce • Mike Genest, Former Director, California Department of Finance • Marcy Zwelling, MD, Past President LA County Medical Association • Tom Bogetich, Executive Director (Ret.), California State Board of Education