



For Immediate Release
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Runner: Sales Tax Hike Would Cost 23,000 Jobs *Governor's Plan Would Also Destroy \$267 Million in Business Investment*

George Runner today criticized the Governor's plan to impose higher taxes on working Californians. He released an [analysis](#) showing that a half cent sales tax increase would cost California thousands of jobs and millions of dollars in lost investment.

"Tax policy has consequences" said Runner. "As this analysis shows, a higher sales tax rate would take money out of the pockets of working Californians, destroying more than 23,000 jobs and \$267 million in business investment. The projected job losses would be equivalent to every worker in a medium-sized California city like Glendora or West Sacramento losing their jobs."

When considering tax increases, policymakers rely on static analyses that ignore behavioral changes by consumers and business owners. A dynamic analysis, like the one released by Runner, estimates the likely behavioral changes that could result from a higher tax rate.

The analysis, conducted by the State Board of Equalization, projects that nearly all of the proposed sales tax increase would be passed along to consumers. The state would receive \$222 million less in revenues than projected by a static analysis, an 8% loss in potential revenue.

Runner added, "Since July of last year, lower tax rates have enabled Californians to keep more of their hard-earned dollars, and our economy is growing stronger. Let's not rewind our progress by reinstating even a portion of the tax burden Californians endured during the Great Recession."

The full analysis is available online at
www.boe.ca.gov/Runner/info/pdf/Dynamic_Revenue.pdf.

Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit www.boe.ca.gov/Runner.

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