



The Real Revenue Challenge Facing California

By George Runner

California Forward, a political reform group, recently invited Californians to take a “[Revenue Challenge](#).” The challenge consists of an online survey where participants can rate how more than a dozen legislative proposals—mostly aimed at raising taxes—meet a set of criteria for a sustainable tax system. The goal is to gather feedback on existing proposals, identify ways to improve them, and generate new ideas for building a revenue system California can rely on.

Kudos to California Forward for trying to engage a public that’s lost faith in government. Changes to our tax laws should always be made with public input and transparency.

The “Revenue Challenge” has one major limitation: It’s focused largely on ways to raise more revenue. This isn’t CA Fwd’s fault. Its Financing the Future series [highlights the revenue proposals](#) moving through the Legislature or making their way toward the 2016 ballot—and most of them would raise taxes in various ways. The Revenue Challenge asks Californians to think about whether these measures will “move the state toward a better tax system.”

However, the challenge facing California isn’t about revenue, it’s about trust.

To move California forward, we need to ask how government can provide taxpayers with better value for the money they already send to Sacramento. I’m willing to bet the public would be more inclined to provide input if they didn’t feel politicians were only gathering input in order to find ways to raise taxes that would be the least offensive to taxpayers.

Consider the Governor’s recent push to hike the gas tax. It doesn’t seem to matter to Governor Brown and other lawmakers that in the six years following the great recession, gas tax revenue grew by \$1.7 billion while road spending remained stagnant. And that’s not counting the billions of dollars now being siphoned from Californians due to the mysterious cap-and-trade auction on carbon emissions.

The public sees the gap between money spent and services provided and loses faith in government. Time after time politicians promise better roads and schools, and time after time those dollars are redirected to bureaucracy. After sending money to a government that fails to deliver the promised services, why would anyone want to send more?

A [recent study](#) released by UC Berkeley’s Institute of Governmental Studies shows that 63 percent of California voters oppose raising gas taxes to pay for better roads. Californians clearly don’t believe sending more money to Sacramento to fix roads is the solution to the problem; they’ve heard this story before.

No one likes a commute full of potholes and heavy traffic congestion. But if government can't solve the problem with the billions in revenue it already has, why should anyone expect a higher gas tax to make a difference?

Despite all this, proposals to expand and create new taxes have dominated the discussion.

Over the years, we've seen a stream of attacks on Proposition 13, which provides homeowners and small business owners with much-needed protection from big jumps in property taxes. It's hard to imagine how homeowners or business owners would benefit from the removal of these protections.

The Legislature also passed a controversial—and I believe, illegal—fire fee which can only be used for fire “prevention” efforts. I support our firefighters and my heart goes out to those who have lost their homes due to fires this year, but not a dime of fire fee money goes towards putting out fires. The program provides no new funding for trucks, hoses or helicopters. In fact, it may have even delayed grants to local fire prevention programs.

These are just few examples of Californians not getting what they are paying for.

And that, ultimately, is the state's real revenue challenge.

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