



Summary: LAO Alternative Budget Revenue-Related Proposals

2008-09 (In Billions)

<input checked="" type="checkbox"/>	Tax expenditure changes	\$3.3
<input checked="" type="checkbox"/>	Lottery securitization	2.8
<input checked="" type="checkbox"/>	Limited liability companies payment date	0.4
<input checked="" type="checkbox"/>	Tax gap efforts	0.2
<input checked="" type="checkbox"/>	Special fund transfers	0.2
<input checked="" type="checkbox"/>	Property taxes (offset Proposition 98 General Fund)	
	➤ Base (current and budget year combined)	0.6
	➤ Capture existing redevelopment pass-through	0.1
	➤ Increase redevelopment pass-through requirements	0.2
<input checked="" type="checkbox"/>	Reject Governor's budget accrual proposal	—
<input checked="" type="checkbox"/>	Reject Governor's budget special fund loans	—



Summary of LAO Revenue-Increasing Proposals as Revised in May

(In Millions)

	Revenue Gain	
	2008-09	2009-10
Proposals Unique to Personal Income Tax		
Reduce dependent credit	\$1,330	\$1,070
Eliminate senior credit	125	130
Eliminate partial exclusion of capital gains on small business stock	55	55
Subtotals	(\$1,510)	(\$1,255)
Proposals Applying to Both Personal Income and Corporation Tax		
Limit the research and development credit	\$335	\$290
Two-year suspension of net operating loss deduction	994	811
Phase out enterprise zone programs	100	120
Subtotals	(\$1,429)	(\$1,221)
Unique Sales and Use Tax Proposals		
Eliminate exemptions for industry-specific equipment	\$143	\$146
Eliminate certain diesel fuel exemptions	73	75
Eliminate exemption for leasing of films and tapes	65	70
Eliminate exemption for custom computer programs	53	48
Adopt one-year standard regarding use tax on out-of-state purchases	16	21
Subtotals	(\$350)	(\$360)
Totals	\$3,289	\$2,836