

1 [Senate Bill 1421]

2 URGING THE CALIFORNIA STATE LEGISLATURE AND GOVERNOR DAVIS TO
3 APPROVE SENATE BILL 1421, ESTABLISHING A STATE EARNED INCOME TAX CREDIT.

4
5 WHEREAS, The Personal Income Tax Law authorizes various credits against the
6 taxes imposed by that law; and,

7 WHEREAS, The California State Legislature is currently considering Senate Bill 1421,
8 which was introduced by Senator Solis; and,

9 WHEREAS, Senate Bill 1421 would enact a refundable state Earned Income Tax
10 Credit (EITC) equal to 15% of the federal Earned Income Tax Credit; and,

11 WHEREAS, The state EITC would use the same eligibility criteria as the federal EITC,
12 and would be applicable to taxable years beginning on or after January 1, 2000, and before
13 January 1, 2005; and,

14 WHEREAS, Senate Bill 1421 would prohibit advance payments of the state EITC; and,

15 WHEREAS, Senate Bill 1421 would include the EITC in the list of credits that can
16 reduce the regular tax below the tentative minimum tax for purposes of the alternative
17 minimum tax; and,

18 WHEREAS, Senate Bill 1421 requires the Franchise Tax Board to provide training and
19 information to employers regarding how employees can make withholding adjustments to
20 reflect the credit; and,

21 WHEREAS, Senate Bill 1421 is intended to build on the federal EITC and boost the
22 incomes of the working poor; and,

23 WHEREAS, Senate Bill 1421 would benefit an estimated 3.8 million low-income
24 working families with annual incomes less than \$30,000; and,

25

1 WHEREAS, Senate Bill 1421 is supported by several nonprofit organizations including
2 Children Now, the Western Center on Law and Poverty, Catholic Charities of California,
3 Jericho, Neighbor to Neighbor, American Federation of State, County and Municipal
4 Employees, California Budget Project, Consumers Union, California Food Policy Advocates,
5 California Church, Housing California, National Center for Youth Law, Child Care Law Center,
6 Equal Rights Advocates, and the Mexican American Legal Defense and Educational Fund;
7 and,

8 WHEREAS, Senate Bill 1421 is on file with the Clerk of the Board of Supervisors in
9 File No. 001170 ; now, therefore, be it

10 RESOLVED, That the Board of Supervisors of the City and County of San Francisco
11 endorses Senate Bill 1421 and urges the Legislature and Governor to approve this
12 legislation; and, be it

13 FURTHER RESOLVED, That a copy of this resolution be forwarded to his Honor, the
14 Mayor, with a request that he transmit copies to the delegation from San Francisco in the
15 State Legislature, as well as Governor Davis, with a request they take all action necessary to
16 achieve the objectives of this resolution.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 001170

Date Passed:

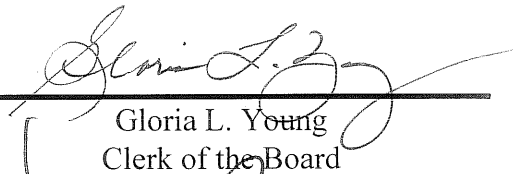
Resolution urging the California State Legislature and Governor Davis to approve Senate Bill 1421, establishing a state earned income tax credit.

June 26, 2000 Board of Supervisors — ADOPTED

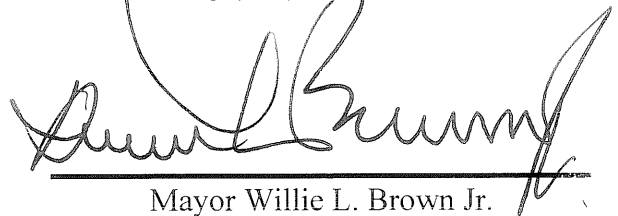
Ayes: 9 - Becerril, Bierman, Brown, Katz, Kaufman, Newsom, Teng, Yaki, Yee
Absent: 2 - Ammiano, Leno

File No. 001170

I hereby certify that the foregoing Resolution was ADOPTED on June 26, 2000 by the Board of Supervisors of the City and County of San Francisco.


Gloria L. Young
Clerk of the Board

JUL - 7 2000
Date Approved


Mayor Willie L. Brown Jr.