

# California Mulls More Job Killer Bills, Major Tax Hikes

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Last week, New York announced [new tax increases](#) that will subject certain of its residents to higher personal income tax rates than even Californians pay. Before the pages on that bill had cooled, the California legislature was well on its way to showing it would not relinquish its top-of-the-heap status without a fight by proposing a new “wealth tax” on California residents.

In response, the California Chamber of Commerce added the following four bills to its annual list of Job Killer bills.

Here are the fresh additions:

[ACA-8](#) (Lee; D-San Jose) New Wealth Tax – Would amend the California Constitution to allow a tax on “extreme wealth” granting the Legislature authority to tax *all* forms of personal property or wealth. The measure would require the Legislature to create a task force to determine “adequate funding and staffing for the administration of the wealth tax.” Though the measure does not explicitly define which individuals would be subject to this unprecedented new tax, it does predict that adequate funding will result in an audit rate of 100% for billionaires and 25% for hundred-millionaires. The list of under-funded “needs” the measure is ostensibly intended to address includes long-term issues like “education, healthcare, infrastructure” and new needs like “pandemic recovery and climate change resilience.”

[AB-310](#) (Lee; D-San Jose) New Wealth Tax – Would impose an annual tax of 1% of a resident’s worldwide net worth in excess of \$50 million or \$25 million for a married tax payer filing separately. The bill would impose an additional 0.5% tax for payers with a net worth in excess of \$1 billion, or \$500 million if married and filling separately. The term “worldwide net worth” would not apply to real property or tangible personal property outside the state held directly by the taxpayer, but would apply to such property held through a business or other legal entity.

[AB-1253](#) (Santiago; D-Los Angeles) Personal Income Tax Increase – Would impose a tax of 1% on that portion of an individual’s taxable income over “the adjusted” \$1 million, 3% on the same portion over \$2 million, and 3.5% on that portion over \$5 million. The “adjusted” amount represents the taxable amount as recomputed by the Franchise Tax Board, and generally indicates the tax will effectively be levied on income that is slightly higher than the stated amount – i.e., “adjusted \$1 million” equals \$1,181,484.

[AB-1192](#) (Kalra; D-San Jose) – Would establish a program requiring employers with more than 1,000 employees to submit various wage and hour statistics, as well as certain workplace safety and benefits information to the Labor and Workforce Development Agency, which the Agency could later make public.

Mentioned nowhere in this flurry of new tax increases is California’s [\\$26 billion surplus](#) and an *additional* infusion of [\\$26 billion](#) in unanticipated funds from the federal government—suggesting these measures are more about wealth redistribution than a legitimate desire to raise revenue.

We will continue to track the progress of these bills as they move through the legislature.

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- **Anthony J. Oncidi**  
Partner