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CA Controller Calls for Comprehensive Tax Reform in New Report

SACRAMENTO—California's tax system fails to generate dependable revenues or to keep pace with decades-long changes in the state's economy, leaving the budget prey to boom-and-bust cycles and disruption of essential services, according to a first-of-its-kind report released today by State Controller Betty T. Yee.

The , "Comprehensive Tax Reform in California: A Contextual Framework," is the result of meetings conducted over several months by Controller Yee's Council of Economic Advisors on Tax Reform. In appointing the Council in 2015, the Controller asked members not to recommend specific tax changes but to identify principles, concepts, and questions to spark broad public discussions to be led by policymakers and other thought leaders.

"If comprehensive tax reform were easy, we would have achieved it long ago," said Controller Yee, the state's chief fiscal officer. "Despite the challenges, the tax system reflects our societal values and deserves the kind of comprehensive scrutiny it has not received since the Depression more than eight decades ago. Failing to act is itself a choice, one that I find impossible to accept. This framework for the first time pulls together all the pieces of the puzzle to lay a foundation for real change."

The reform framework cites sound fiscal management and encouraging economic growth as two key objectives of comprehensive tax reform. It highlights the inadequacies of California's current tax structure, reviews the history of its interactions with the state's economy, and identifies a number of related issues.

Controller Yee added, "Why the need for broad public engagement? Taxes touch on every issue we face in California, from funding education to addressing challenges such as climate change."

As the chief fiscal officer of California, Controller Yee is responsible for accountability and disbursement of the state's financial resources. The Controller also safeguards many types of property until claimed by the rightful owners, and has independent auditing authority over government agencies that spend state funds. She is a member of numerous financing authorities, and fiscal and financial oversight entities including the Franchise Tax Board. She also serves on the boards for the nation's two largest public pension funds. Elected in 2014, Controller Yee is the tenth woman elected to a statewide office in California's history. Follow the Controller on Twitter at [@CAController](https://twitter.com/CAController) and on Facebook at [California State Controller's Office](https://www.facebook.com/CaliforniaStateController)

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