

## MEMO# 32550

June 24, 2020

## Opposition Letter: California "Headcount" Tax Proposal

[32550]

June 24, 2020 TO: ICI Members

Management Company Tax Subcommittee
Tax Committee SUBJECTS: Investment Advisers

Tax RE: Opposition Letter: California "Headcount" Tax Proposal

The ICI joined a coalition letter organized by CalTax to oppose a proposed new "headcount" tax on California employers with 500 or more employees within the state. The tax rate would be \$275 per employee (\$137,500 for 500 employees) to be paid on an annual basis.

The letter describes that the costs of such a tax would be passed on to Californians and would disincentivize businesses, that already pay some of the highest taxes in the country, to hire a large number of employees. Currently, <u>AB 398</u> remains in the Senate Rules Committee awaiting committee referral.

Katie Sunderland Assistant General Counsel

Attachment No. 1

Attachment No. 2

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