

MEMO# 31127

March 14, 2018

## California Legislative Proposal to Impose Services Tax

[31127]

March 14, 2018 TO: ICI Members

Tax Committee SUBJECTS: Tax RE: California Legislative Proposal to Impose Services Tax

The ICI submitted the attached opposition letter regarding a proposal to impose a tax on the purchase of services by businesses in California. For businesses operating in multiple states, an "appropriate share" of the services would be apportioned to California. We expressed concern that the proposal would:

- impose additional costs on all (including Californian) investors seeking to save for their retirement and other long-term needs through these funds;
- be extraordinarily difficult (if not impossible) to administer efficiently and fairly; and
- place California-based firms operating in this nationwide industry at a competitive disadvantage;

If enacted, we requested that the tax exempt services purchased by funds.

Katie Sunderland Counsel - Tax Law

**Attachment** 

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