

**MEMO# 26007**

March 29, 2012

# ICI Letter to California Opposing Tax on Services

[26007]

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TO: ADVISER DISTRIBUTOR TAX ISSUES TASK FORCE No. 3-12  
TAX MEMBERS No. 15-12 RE: ICI LETTER TO CALIFORNIA OPPOSING TAX ON SERVICES

The Institute submitted the attached letter in opposition to California Assembly Bill 1963 (Huber), [\[1\]](#) which would expand the state sales tax to all services, with limited exceptions. The letter argues that, if enacted, the sales tax could:

- Impose additional costs on California investors seeking to save for their retirement and other long-term needs through mutual funds;
- Place California-based mutual fund firms operating in this nationwide industry at a competitive disadvantage; and
- Be extraordinarily difficult, if not impossible, to administer efficiently and fairly.

Karen Lau Gibian  
Associate Counsel

[Attachment](#)

## endnotes

[\[1\]](#) AB 1963 (Huber) can be found [here](#).