



April 29, 2015

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The Honorable Lorena Gonzalez  
California State Assembly  
State Capitol, Room 6012  
Sacramento, CA 95814

**RE: AB 717 (Gonzalez) – Sales and use taxes: exemption: diapers.  
As Introduced: February 25, 2015 – OPPOSE UNLESS AMENDED  
Hearing Date: May 4, 2015 – Assembly Revenue and Taxation Committee**

Dear Assembly Member Gonzalez:

On behalf of the California State Association of Counties (CSAC), representing all 58 of California's counties, I regret to inform you of our "oppose unless amended" position on your Assembly Bill 717, which provides a state and local sales tax exemption for infant and toddler diapers. While we recognize the intent of this bill, we have serious concerns about the fiscal impact this measure would have on counties and their continued ability to provide services.

The State Board of Equalization has estimated state and local losses due to AB 717 would total \$46.7 million annually. After the past thirty years of changes to sales and use tax allocations, counties now receive almost half of sales and use tax revenues. Approximately two-thirds of that revenue is constitutionally dedicated to providing local public safety services and federal and state programs including social services, like CalWorks, and criminal justice and rehabilitation services.

Therefore, we respectfully request that the local portion of sales and use tax be unaltered by AB 717 and vital dollars continue to flow to critical county service needs. We have no concern with the state using their portion of sales and use tax revenue to advance the policy goals set forth by this measure. If you have any questions about our "**OPPOSE UNLESS AMENDED**" position, please do not hesitate to contact me at (916) 327-7500, extension 515.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Dorothy Holzem', with a long horizontal flourish extending to the right.

Dorothy Holzem  
Legislative Representative