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Taxpayers Association Agrees With Voters Not Signing "Let's Go SD" Petition Sales tax measure would have hit low income communities hardest

San Diego (July 14, 2022) – The San Diego County Taxpayers Association (SDCTA) board of directors formally acknowledged in late June, after debating the merits and challenges of the "Let's Go SD" sales tax citizens' initiative that failed to qualify for the ballot, that voters made the right choice not signing the petition. The Association analysis of the measure shows there are a number of governance weaknesses in the proposal, and this incremental sales tax would have ironically hit hardest the very low-income communities the proponents claim to support.

"I want to thank the Association's board of directors as they stand up for all taxpayers, including those who may not have a voice," said Haney Hong, president and CEO. "When it comes to transportation, our poorest citizens have it the worst through fuel taxes and sales taxes. If we really want to help pull households out of poverty and make San Diego's cost of living reasonable, we need public policy that is designed to help and not hurt low-income taxpayers in communities of concern."

The Association's concerns are summarized below; the full paper is available on the web at https://www.sdcta.org/policyreports:

- 1) The initiative was "ballot box budgeting." The proposal would have tied the hands of future elected leaders to put resources into specific projects, even if they were the wrong projects to fund.
- 2) There were no emergency provisions in the measure that would have allowed the board of the San Diego Association of Governments to direct resources elsewhere should circumstances or priorities of the region's transportation needs change. The region is required to update the Regional Transportation Plan every four years, and if the next plan has a different direction, the Association underscores that the measure as written would have severely limited the governing board's ability to finance an optimal transportation network.
- 3) The design of the oversight committee did not include a designated taxpayer member. Every school bond and every tax measure that SANDAG has had approved by voters included a bona fide taxpayer representative looking out for all of us and not just special interests.
- 4) There was no sunset, and the tax would have continued forever even if other financing became available. When Californians already face the highest tax burden in the country with the most expensive costs of living, this initiative's lack of sunset is a clear disregard for the aggregate tax burden a taxpayer would face.
- 5) Besides governance weaknesses, the voters were right to reject the proposal because sales taxes are highly regressive. The poorest are the hardest hit. While the proponents claimed it would have provided transportation infrastructure to service low income taxpayers, the Association asserts that low-income taxpayers already take on a disproportionate share in financing transportation infrastructure through fuel taxes and sales taxes. As noted in the San Diego Taxpayers Educational Foundation report in December 2021 on the Regional Plan, sales tax measures are much more likely than other less regressive and more equitable financing structures to hit hard on San Diego low income households and increase the chances of being pushed into poverty.

While the "Let's Go SD" proposal has ultimately failed to qualify for the ballot, the Association recommends taxpayers stay vigilant and remain wary of similar measures coming up in the future.

"I commend voters for demanding a more thoughtful and transparent process. Policy makers should take note of the failure to secure a sufficient number of signatures," said Mark Nelson, chair of the Association's Board of Directors. "While the initiative process plays an important role in our state, complex measures to finance complex needs ought to be carefully developed by the public servants and office holders who taxpayers empower at the ballot box."



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San Diego County Taxpayers Association (SDCTA) is a non-profit, non-partisan organization, dedicated to promoting accountable, cost-effective, and efficient government and opposing unnecessary new taxes and fees. Since 1945, SDCTA has served as "San Diego's Taxpayer Watchdog Group" by educating the public and helping save the region's citizens millions of dollars. Public opinion polls consistently rate SDCTA as the most "influential" and "trusted" public policy institution in San Diego. For more information, please visit www.sdcta.org, Twitter, Facebook, Instagram, call 619-234-6423, or email info@sdcta.org