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Gov. Brown to skip tax increase this year

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Story posted 2011.05.13 at 10:10 PM PDT



Reporting from Sacramento -- A surge in revenue has prompted Gov. Jerry Brown to scale back his proposal for more taxes, even as his administration on Friday announced its intention to close 70 state parks.

Officials familiar with Brown's plans said the revised budget he presents Monday will propose raising income tax rates on Californians for four years rather than the five he initially wanted. The higher rate would not take effect until 2012.

The governor will continue to push for a five-year extension of increases in sales taxes and vehicle fees that are due to expire by July 1, according to the officials, who spoke on the condition of anonymity because the plan has not been made public. Brown wants lawmakers to put some levies in place before July 1, to be ratified later by voters, the officials said.

The governor would use an unexpected multibillion-dollar influx of tax receipts to fill the gap left in his budget by the shorter period of income tax increases. He would also use the new money to keep in place "enterprise zone" tax credits for businesses that hire workers from blighted areas. Brown originally proposed eliminating those tax credits to save the state \$924 million.

But the revenue boost was not enough to save [70 parks](#) that the administration said it was planning to close. They include the Salton Sea State Recreation Area, Palomar Mountain State Park in San Diego County, McGrath State Beach in Ventura County, Los Encinos State Park, Antelope Valley Indian Museum, Pio Pico State Park in Whittier and Fort Tejon State Historic Park in Kern County.

Northern California parks on the list include Candlestick Point State Recreation Area in San Francisco and Point Cabrillo Light Station in Mendocino.

State lawmakers passed \$33 million in cuts from the parks budget earlier this year, but Brown has not signed them into law. Whether the closures will be included in a final budget is unclear, because the spending plan is still being negotiated. Administration officials said they did not intend to alter the parks budget further, and Republicans said they were taking Brown's plan seriously.

Brown also announced Friday a proposal to scrap the state Unemployment Insurance Appeals Board, which has long been a lucrative landing place for former lawmakers, with salaries in six figures. Six of the seven current board members are ex-legislators appointed by their former colleagues or past governors.

The announcements about parks and the unemployment board appeared timed to show voters that Brown is doing all he can to tighten the state's belt while making difficult cuts before he asks them to agree to higher taxes.

In his January budget proposal, Brown pressed lawmakers to call a June election asking voters to approve renewed tax hikes for five years. But talks in the Legislature failed.

His revised budget will drop the income tax surcharge for the 2011 calendar year, said those with knowledge of the governor's plan. The tax would have generated about \$2 billion to help fill a \$15-billion deficit.

Roughly \$2.5 billion in unanticipated tax revenue poured into state coffers in the first four months of 2011, and forecasters suggest billions more could materialize. The unforeseen income is expected to cover the dropped taxes in the governor's new plan.

In January, Brown proposed lowering the income tax credit for those with dependents to \$99 instead of the approximately \$300-per-dependent credit allowed by current law. It was unclear whether he plans to alter that proposal Monday.

Brown's decision to retain enterprise-zone credits comes amid Republican opposition and an active campaign by businesses and others who hired multiple public relations firms and spent \$130,000 on lobbying in the first three months of this year.

Gil Duran, Brown's spokesman, declined to comment on any budget details, saying the full plan would be announced Monday.

The Brown administration did say Friday that whatever taxes are ultimately approved, they probably won't prevent the first round of state park closures in California history. Among the most popular services provided by the state, parks have been used as bargaining chips in past budget debates but none were closed.

In crafting the list of targeted parks, Brown administration officials said they tried to spare those that have the highest number of visitors, generate the most money in usage fees and have historical value.

Existing campground reservations will not be affected, since all parks will remain open this summer, said Ruth Coleman, the director of the Department of Parks and Recreation. But she said properties across the state would be subject to "service reductions" as soon as this summer.

Fewer lifeguards, fewer trash collectors and fewer available public restrooms would be among the cutbacks, she said.

Department spokesman Tony Perez said state officials are seeking help from local governments or private vendors to try to keep the parks open.

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