

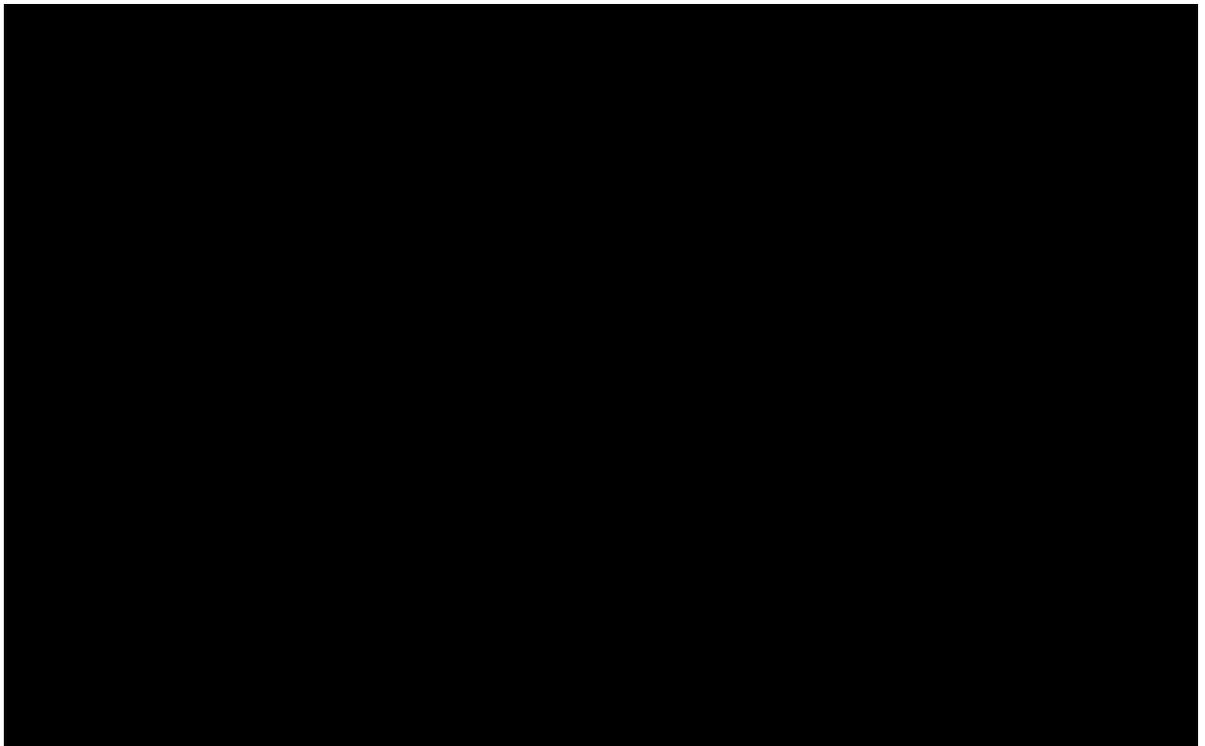


## Day 3 Overview & Highlights

06/27/11 by *Agustin Gurza*

Dubbed "The Fabulous 400" by Deliberative Poll project co-chair David Davenport, participants of the survey project wrapped up nearly three days of discussions Sunday afternoon in Torrance and headed back to their respective homes; tired but inspired.

"As we go back into our communities we can contribute to regional politics and local politics and begin to engage our friends and family and be more involved," said Natasha Stevins of Los Angeles.



Sunday's final plenary session of the three-day Deliberative Poll featured a sometimes technical but informative discussion on taxes by a panel that included two rival experts in the field, California consultants Joel Fox and Lenny Goldberg. When their debate threatened to devolve into another clash of dueling studies, moderator Jody Woodruff stepped in to steer them toward a meeting of the minds.

"You're going to come to agreement today," ordered the PBS anchor, eliciting laughter and applause from the 400 poll participants gathered in the main ballroom.

The mid-day panel, which also featured tax experts Mark Ibele and Annette Nellen, fielded questions from participants who had met earlier in small groups to hash out the state's complex tax challenges. Their concerns were reflected in the very first question: How can California achieve a tax system that is built on "simplicity, transparency and accountability."

For the next hour, the experts led the attentive audience through a maze of arcane, complex and tricky tax policy considerations which they have been thinking about for decades. The frugal bent of the audience was revealed when many applauded the mention of Fox's past connection to the Howard Jarvis Taxpayers Association, which advocated for lower taxes.

One participant drew a laugh when he said sarcastically that the state some day will start testing people's lung capacity so it could "tax the air we breathe."

The session also revealed that cutting taxes is no easy matter. The panel expressed sometimes conflicting opinions that were convincing on both sides. The panel also made it clear that tax reform almost always has winners and losers, and policy-makers must take into account "who gets hurt" when changes are made.

The panel delved into a wide range of specifics:

Is California tax policy really hostile to business?

What are the top incentives for persuading business to stay in the state? (Answer: Good schools, good infrastructure, and good access to markets.)

Should services be taxed like tangible personal property, and if so, which ones and how?

What would be the impact on local retailers if online dealers such as Amazon had to pay state sales tax?

Should the legislature be allowed to raise taxes on a majority vote rather than the current two-thirds threshold?

Some simple ideas won very clear approval from the audience: Making it easy for people to know where their taxes go and making it harder for politicians to raise them without accountability.

In the end, Fox agreed with his rival on one point, the proposal of putting tax hikes on the ballot. So he acknowledged that Woodruff had accomplished her goal of extracting a consensus.

"I agree with Lenny," said Fox. "Let the people decide. I trust the people of California."

Before closing, Davenport urged participants to stay involved by going home and committing to take at least one civic action: Call their congressman, write a letter to the editor, join one of the sponsoring groups.

"We hope to light a fire here," said Davenport. "And we hope that fire will spread."

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