



Presented to:

El Dorado County Board of Supervisors

August 11, 2015

By:

Cindy Ellsmore, Chair

Jamie Beutler, El Dorado County Coordinator

Theodore W. Phillips, Attorney At Law

Contact: Cindy Ellsmore, Chair

Direct Email: keepitcalifornia.sierra@gmail.com

Email: Info@KeepItCalifornia.org

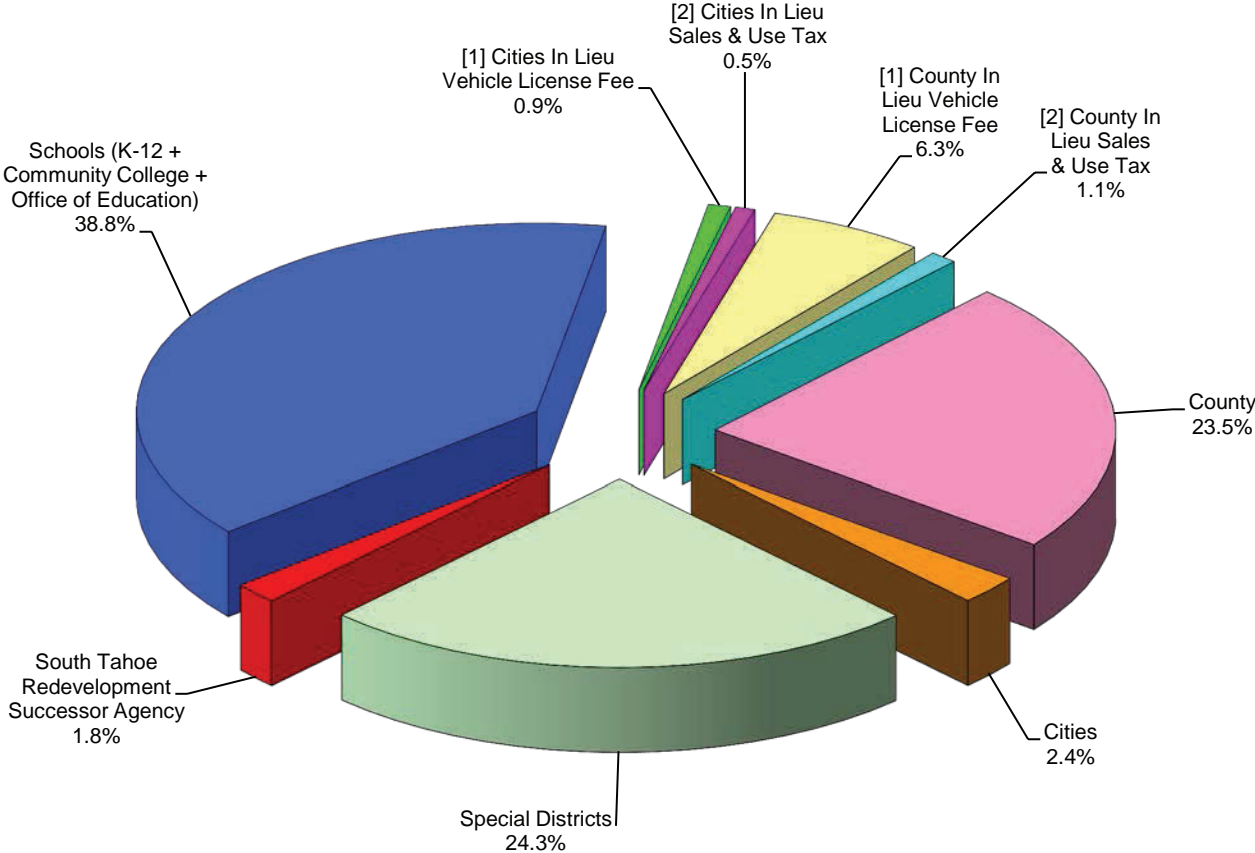
Website: KeepItCalifornia.org

Keep It California, a Non-Partisan PAC

Our mission is to advocate for better representation of rural California and to oppose breaking away to form a new state.

Jefferson State Financial Viability model			(2014-15 County Fiscal Year)										
			Property Tax	State Income Tax Rate	% income tax returned by Fed	Sales Tax Rate	Gas tax per gal (\$)	This base budget does not include State Corporate Income Taxes as Jefferson will never have them or other types of taxes/fees/penalties/fines collected by the state, counties or cities. This model can be found at www.soj51.net/finances.html					
County allocation ->			1.00%	8.00%	88.00%	8.00%	\$0.53						
			100%	85%	85%	33%	50%						
In/Out	Senate	Assembly (per 28,845)	Co. Revenue	Co. Expenditures	K-12 School Expenditures	Retained/(Loss)	Property Tax	State Income Tax	Fed Tax Returned	Sales Tax	Fuel Tax	Total Income before other sources	
0			Alpine	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0			Amador	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
1	1	8	Butte	\$1,581,490,687	\$475,025,882	\$361,685,613	\$744,779,193	\$203,887,054	\$537,747,818	\$755,808,655	\$63,377,160	\$20,670,000	\$1,581,490,687
0			Calaveras	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	1	1	Colusa	\$182,812,864	\$78,047,768	\$55,787,568	\$48,977,528	\$37,186,719	\$66,682,418	\$70,788,192	\$5,505,535	\$2,650,000	\$182,812,864
0			Coos	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0			Curry	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0			Del Norte	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0			Douglas	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	1	6	El Dorado	\$2,324,289,593	\$627,470,392	\$378,883,042	\$1,317,936,159	\$299,164,159	\$669,564,245	\$1,292,925,819	\$42,760,370	\$19,875,000	\$2,324,289,593
1	1	1	Glenn	\$188,944,184	\$97,526,517	\$71,091,566	\$20,326,101	\$30,229,373	\$73,412,491	\$76,737,829	\$5,384,491	\$3,180,000	\$188,944,184
1	1	5	Humboldt	\$946,807,670	\$305,541,663	\$233,235,447	\$408,030,560	\$127,809,362	\$327,131,829	\$432,245,654	\$45,575,825	\$14,045,000	\$946,807,670
0			Jackson	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0			Josephine	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0			Klamath	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	1	2	Lake	\$414,768,804	\$188,294,172	\$110,184,631	\$116,290,001	\$73,826,289	\$155,416,499	\$165,497,404	\$14,728,613	\$5,300,000	\$414,768,804
1	1	1	Lassen	\$218,728,509	\$116,318,673	\$42,916,207	\$59,493,629	\$22,070,150	\$74,299,411	\$113,893,807	\$6,875,141	\$1,590,000	\$218,728,509
1	1	3	Mendocino	\$696,301,634	\$260,382,096	\$200,659,632	\$235,259,906	\$117,761,335	\$227,917,452	\$305,988,558	\$33,239,290	\$11,395,000	\$696,301,634
1	1	1	Modoc	\$59,778,390	\$46,425,724	\$22,843,673	(\$9,491,007)	\$13,505,175	\$24,501,805	\$20,106,550	\$1,399,860	\$265,000	\$59,778,390
0			Napa	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	1	3	Nevada	\$1,065,604,410	\$200,066,856	\$132,589,592	\$732,947,961	\$180,464,007	\$320,317,115	\$527,376,290	\$28,436,998	\$9,010,000	\$1,065,604,410
0			O.Lake	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	1	12	Placer	\$4,712,216,399	\$985,021,162	\$756,778,399	\$2,970,416,838	\$726,413,721	\$1,292,286,893	\$2,479,482,016	\$163,153,769	\$50,880,000	\$4,712,216,399
1	1	1	Plumas	\$171,009,036	\$87,879,707	\$27,985,055	\$55,144,275	\$39,014,084	\$56,834,802	\$68,677,969	\$4,627,181	\$1,855,000	\$171,009,036
1	1	6	Shasta	\$1,302,021,259	\$469,260,549	\$334,261,824	\$498,498,886	\$164,356,966	\$456,477,664	\$590,374,379	\$66,697,250	\$24,115,000	\$1,302,021,259
1	1	1	Sierra	\$23,968,270	\$24,399,342	\$7,967,922	(\$8,398,994)	\$6,453,660	\$8,205,896	\$8,568,514	\$475,200	\$265,000	\$23,968,270
1	1	1	Siskiyou	\$296,475,409	\$170,535,716	\$81,385,132	\$44,554,561	\$46,759,239	\$109,551,196	\$123,422,617	\$10,647,358	\$6,095,000	\$296,475,409
0			Sonoma	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	1	3	Sutter	\$698,333,545	\$238,100,000	\$201,933,283	\$258,300,261	\$103,091,495	\$234,184,000	\$322,331,728	\$28,126,322	\$10,600,000	\$698,333,545
1	1	2	Tehama	\$353,964,153	\$181,669,971	\$129,566,840	\$42,727,341	\$46,251,908	\$129,753,531	\$151,389,180	\$19,414,534	\$7,155,000	\$353,964,153
1	1	1	Trinity	\$77,901,183	\$93,857,890	\$30,437,876	(\$46,394,583)	\$13,247,813	\$31,296,946	\$30,999,861	\$1,826,563	\$530,000	\$77,901,183
0			Tuolumne	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
1	1	2	Yuba	\$405,290,179	\$212,366,557	\$164,664,009	\$28,259,613	\$60,307,171	\$162,827,714	\$164,082,333	\$11,182,961	\$6,890,000	\$405,290,179
19						Total Co. Surplus:	\$7,581,942,816						
			Available State Funds	\$340,000,000,000	CA debt	Aggregate shortfall absorbed by State:	(\$64,284,585)	Based on the County Fiscal Year 2014-15, Jefferson would have an operating budget of \$2.98B dollars and the counties would have working capital of \$7.58B dollars. This model uses the current California tax rate structure without any corporate income taxes or other fees charged by the state or counties.					
			\$3,489,680,067.99	4.51%	JF portion			This proves Jefferson is viable and has the ability to sustain itself from day one.					
				\$15,350,855,218	JF debt								
			Net after debt pmt		IntRate = 0.0%/yr								
			\$2,977,984,894	\$511,695,174	Annual pmt 30 yrs								
				\$34,400,000,000	OR debt								
				0.00%	JF portion								
				\$0	JF debt								
					IntRate = 0.0%/yr								
				\$0	Annual pmt 30 yrs								
				\$511,695,174	Total annual pmts								
					CA & OR								

**Distribution of Proposition 13's 1% General Property Taxes
Summary of FY 2013/14 Total of \$257,519,703
(Source: El Dorado County Auditor-Controller)**



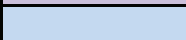


[1] Represents the exchange of Property Tax for County/City's Vehicle License Fees (Senate Bill 1096, Chapter 211 Statutes of 2004)
 [2] Represents the exchange of Property Tax for County/City's Sales and Use Tax (Assembly Bill 1766, Chapter 162, Statutes of 2003)

Tax Returns Filed, Adjusted Gross Income, and Self Assessed Tax Process Year 2014 Original Returns (2013 tax year returns)

<https://www.ftb.ca.gov/aboutFTB/reports/pitstats/2014.pdf>

County	County Totals				Household AGI and State Tax Liability			Per Capita AGI
	Est pop. 1/1/2014	Tax Returns Filed	Adjusted Gross Income	Total Tax Liability	Average AGI	Average Tax Liability	Tax Rate on AGI	
Modoc	9,197	2,901	\$ 117,323,000	\$ 3,463,000	\$ 40,442	\$ 1,194	3.0%	\$ 12,757
Lake	64,699	22,236	\$ 918,277,000	\$ 25,146,000	\$ 41,297	\$ 1,131	2.7%	\$ 14,193
Siskiyou	45,231	17,198	\$ 711,668,000	\$ 20,695,000	\$ 41,381	\$ 1,203	2.9%	\$ 15,734
Trinity	13,389	4,365	\$ 181,728,000	\$ 5,493,000	\$ 41,633	\$ 1,258	3.0%	\$ 13,573
Tehama	63,717	19,467	\$ 819,068,000	\$ 24,799,000	\$ 42,075	\$ 1,274	3.0%	\$ 12,855
Yuba	73,682	23,110	\$ 986,116,000	\$ 22,705,000	\$ 42,671	\$ 982	2.3%	\$ 13,383
Mendocino	89,029	35,737	\$ 1,536,410,000	\$ 48,504,000	\$ 42,992	\$ 1,357	3.2%	\$ 17,257
Glenn	28,353	11,002	\$ 481,690,000	\$ 15,207,000	\$ 43,782	\$ 1,382	3.2%	\$ 16,989
Sierra	3,089	1,067	\$ 49,068,000	\$ 1,336,000	\$ 45,987	\$ 1,252	2.7%	\$ 15,885
Humboldt	134,648	49,952	\$ 2,302,795,000	\$ 70,455,000	\$ 46,100	\$ 1,410	3.1%	\$ 17,102
Shasta	179,412	70,423	\$ 3,313,645,000	\$ 100,992,000	\$ 47,053	\$ 1,434	3.0%	\$ 18,469
Plumas	19,140	7,397	\$ 352,669,000	\$ 10,703,000	\$ 47,677	\$ 1,447	3.0%	\$ 18,426
Sutter	95,733	35,667	\$ 1,717,397,000	\$ 52,056,000	\$ 48,151	\$ 1,460	3.0%	\$ 17,939
Colusa	21,660	9,134	\$ 445,040,000	\$ 16,886,000	\$ 48,723	\$ 1,849	3.8%	\$ 20,547
Butte	222,316	82,771	\$ 4,052,031,000	\$ 137,279,000	\$ 48,955	\$ 1,659	3.4%	\$ 18,226
Lassen	32,581	10,035	\$ 506,795,000	\$ 13,945,000	\$ 50,503	\$ 1,390	2.8%	\$ 15,555
Nevada	97,225	43,202	\$ 2,484,753,000	\$ 99,835,000	\$ 57,515	\$ 2,311	4.0%	\$ 25,557
Placer	366,115	163,841	\$ 11,952,147,000	\$ 526,413,000	\$ 72,950	\$ 3,213	4.4%	\$ 32,646
El Dorado	182,404	79,938	\$ 5,892,748,000	\$ 272,252,000	\$ 73,716	\$ 3,406	4.6%	\$ 32,306
Totals and averages	1,741,620	689,443	38,821,368,000	1,468,164,000	\$ 56,308	\$ 2,129	3.8%	\$ 22,290

- 6  BOS adopted Declaration
 2  Advisory Election in 2016
 1  Voters said NO in Del Norte

SOJ Income Tax Assumptions - Fact Check

State Income Tax

Federal Income Tax

County	Franchise Tax Board 2013 SIT ACTUAL	Jefferson Viability Model SIT 100% Assumption	Jefferson SIT 85% to County	IRS 2012 Actual	88% Calculation of IRS Actual	Jefferson Viability Model FIT 88% to State Assumption	Jefferson FIT County Share 85% of Amount to State
Butte County	\$ 137,279,000	\$ 632,644,492	537,747,818	464,291,000	408,576,080	889,186,653	755,808,655
Colusa County	\$ 16,886,000	\$ 78,449,904	66,682,418	52,268,000	45,995,840	83,280,226	70,788,192
El Dorado County	\$ 272,252,000	\$ 787,722,641	669,564,245	839,667,000	738,906,960	1,521,089,199	1,292,925,819
Glenn County	\$ 15,207,000	\$ 86,367,636	73,412,491	49,859,000	43,875,920	90,279,799	76,737,829
Humboldt County	\$ 70,455,000	\$ 384,860,975	327,131,829	242,233,000	213,165,040	508,524,299	432,245,654
Lake County	\$ 25,146,000	\$ 182,842,940	155,416,499	90,112,000	79,298,560	194,702,828	165,497,404
Lassen County	\$ 13,945,000	\$ 87,411,072	74,299,411	44,689,000	39,326,320	133,992,714	113,893,807
Mendocino County	\$ 48,504,000	\$ 268,138,179	227,917,452	167,671,000	147,550,480	359,986,539	305,988,558
Modoc County	\$ 3,463,000	\$ 28,825,653	24,501,805	13,876,000	12,210,880	23,654,765	20,106,550
Nevada County	\$ 99,835,000	\$ 376,843,665	320,317,115	328,275,000	288,882,000	620,442,694	527,376,290
Placer County	\$ 526,413,000	\$ 1,520,337,521	1,292,286,893	1,612,706,000	1,419,181,280	2,917,037,666	2,479,482,016
Plumas County	\$ 10,703,000	\$ 66,864,473	56,834,802	41,468,000	36,491,840	80,797,611	68,677,969
Shasta County	\$ 100,992,000	\$ 537,032,546	456,477,664	348,712,000	306,866,560	694,558,093	590,374,379
Sierra County	\$ 1,336,000	\$ 9,653,995	8,205,896	5,348,000	4,706,240	10,080,605	8,568,514
Siskiyou County	\$ 20,695,000	\$ 128,883,760	109,551,196	66,155,000	58,216,400	145,203,079	123,422,617
Sutter County	\$ 52,056,000	\$ 275,510,588	234,184,000	173,440,000	152,627,200	379,213,798	322,331,728
Tehama County	\$ 24,799,000	\$ 152,651,213	129,753,531	92,513,000	81,411,440	178,104,918	151,389,180
Trinity County	\$ 5,493,000	\$ 36,819,936	31,296,946	16,524,000	14,541,120	36,470,425	30,999,861
Yuba County	\$ 22,705,000	\$ 191,562,016	162,827,714	89,452,000	78,717,760	193,038,039	164,082,333
Totals	1,468,164,000	5,833,423,206	4,958,409,725	4,739,259,000	4,170,547,920	9,059,643,947	7,700,697,355

Income Tax Overstated

(4,365,259,206)

(4,889,096,027)

County Share Overstated

(3,710,470,325)

County Share Overstated

(4,155,731,623)

State Share Overstated

(654,788,881)

State Share Overstated

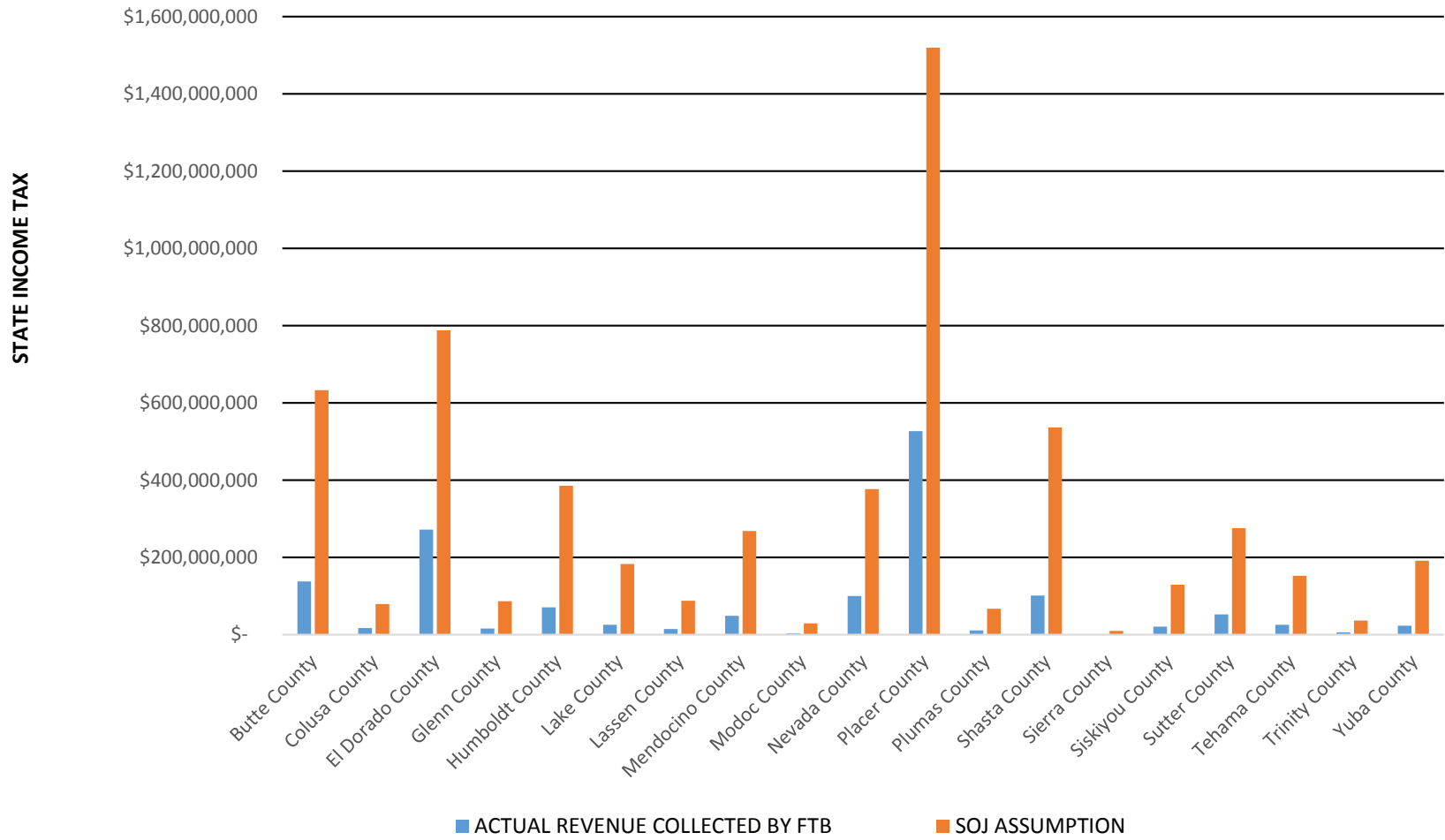
(733,364,404)

Sources: <https://www.ftb.ca.gov/aboutFTB/reports/pitstats/2014.pdf>

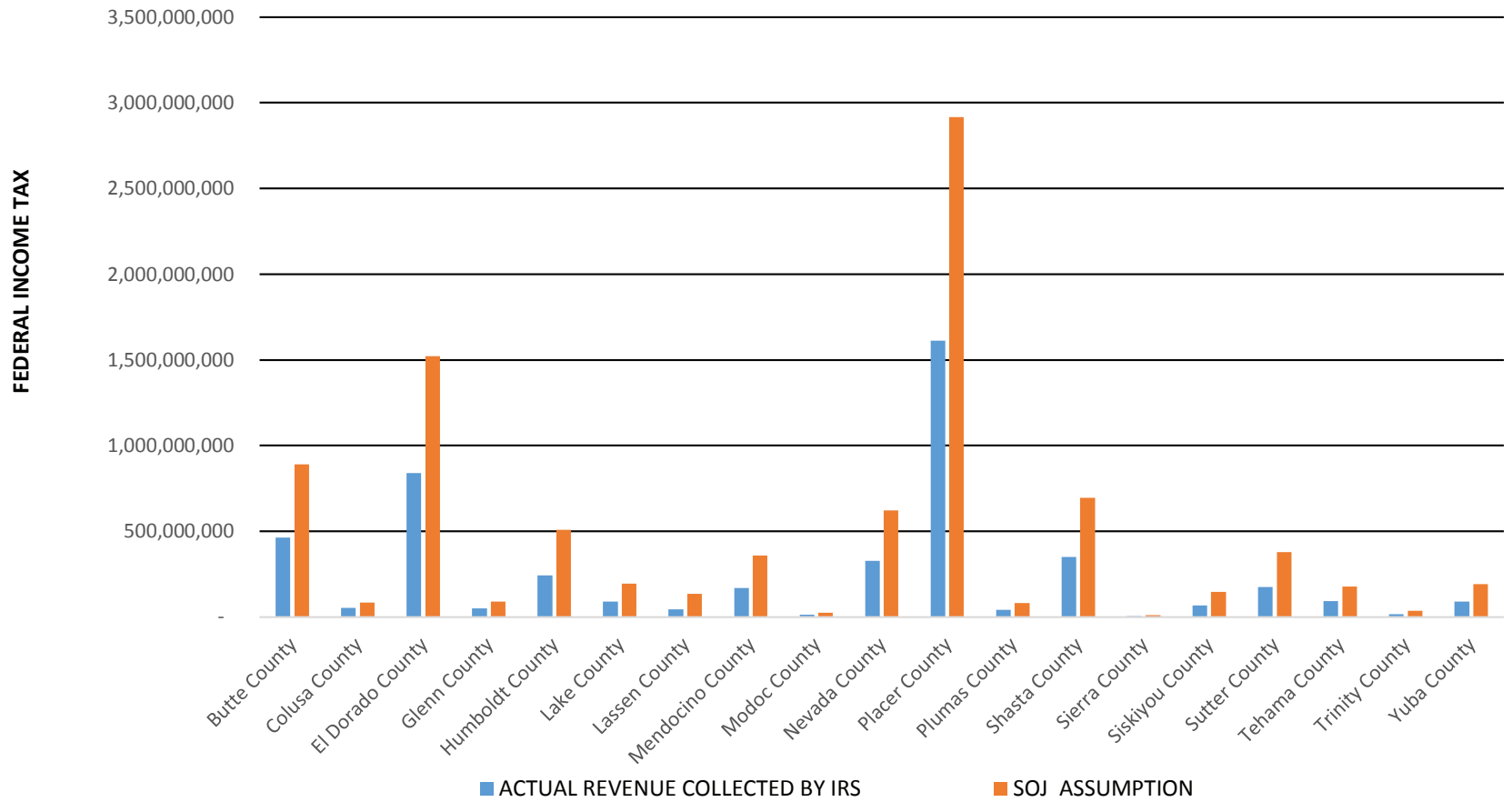
<http://www.irs.gov/uac/SOI-Tax-Stats-County-Data-2012>

Research by Keep It California PAC

Comparison By County of State Income Tax for 2013



Comparison By County of Federal Income Tax for 2012



* Federal Income Tax uses assumption from SOJ Viability Model which is that 88% of FIT paid by Californians comes back to the state in the form of revenue and services. There is no reduction for the cost of the federal services delivered in California. These include everything from USFS, BLM, NPS to federal courts and prisons. The assumption that all the FIT that comes back to California would be available to fund state and county programs is incorrect and the Net Revenue above is overstated by an unknown but substantial amount.

State of Jefferson Debt Assumption Fact Check

California Debt Calculations with 19 Counties Included

Description	SOJ Assumptions -----	State Budget Solutions data on total CA debt -----	Reduction in available state funds 246% Reduction
	Zero interest rate Underestimated Debt	5% interest rate using CA's A rating	
	CA debt	340,000,000,000	
Percentage of population	4.51%	4.51%	
Debt assumption SOJ would assume	15,334,000,000	35,087,800,000	
Payoff years	30	30	
Interest Rate	0%	5%	See note below
Payments per year	1	1	
Annual payment	\$511,133,333	\$2,282,511,744	
SOJ Available STATE funds from SOJ Viability Model 2014-15	3,489,680,068	3,489,680,068	
Net available after debt payment to finance state operations	2,978,546,735	1,207,168,324	(1,771,378,410)

Data from State Budget Solutions report 1/2014:

"State Budget Solutions (SBS) is a non-partisan, non-profit, national public policy organization with the mission to change the way state and local governments do business.

<http://www.statebudgetsolutions.org/publications/detail/state-budget-solutions-fourth-annual-state-debt-report>

Please note that 5% interest rate will not be possible for Jefferson as it will have a new and unstable government and will not have proven creditworthiness. This interest rate is to illustrate the effect of the debt on available state funds but it is likely to be higher

Research by: Keep It California PAC

SOJ Net Revenue Fact Check

	All 19 Counties	El Dorado Impact
SOJ "County Surplus"	7,581,942,816	1,317,936,159
Overstated State Income Tax	(3,710,470,325)	(438,150,045)
Overstated Federal Income Tax *	(4,155,731,623)	(664,854,903)
Net Retained or (Loss) *	(284,259,132)	214,931,211
<hr/>		
SOJ "State Revenue"	3,489,680,068	
State Share of SIT Overstated	(654,788,881)	
State Share of FIT Overstated *	(733,364,404)	
Subtotal Net State Revenue *	2,101,526,783	
Understated Debt Expense	(1,771,378,410)	
State Revenue Net of Debt Payment*	330,148,373	

← This the funding that would be available for the cities, fire and water districts and other special districts in El Dorado County.

* Federal Income Tax uses assumption from SOJ Viability Model which is that 88% of FIT paid by Californians comes back to the state in the form of revenue and services. There is no reduction for the cost of the federal services delivered in California. These include everything from USFS, BLM, NPS to federal courts and prisons.

The assumption that all the FIT that comes back to California would be available to fund state and county programs is incorrect and the Net Revenue above is overstated by an unknown but substantial amount.

Research by: Keep It California PAC

8/11/2015

**WHICH COUNTY HAS THE BEST REPRESENTATION IN THE STATE OF JEFFERSON?
 SIERRA COUNTY: POP. 3,089
 1 OR 2 SENATORS PER COUNTY, 2014 TOTAL POPULATION = 1,741,620**

