



# DEBRA BOWEN

## CALIFORNIA SECRETARY OF STATE NEWS RELEASE

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### Insurance Benefits Initiative Enters Circulation

*Tax on Employers Who Collect Life-Insurance Benefits  
Upon the Death of Former Employees. Initiative Statute.*

**SACRAMENTO** – Secretary of State Debra Bowen today announced that the proponent of a new initiative may begin collecting petition signatures for his measure.

The Attorney General prepares the legal title and summary that is required to appear on initiative petitions. When the official language is complete, the Attorney General forwards it to the proponent and to the Secretary of State. The Secretary of State then provides calendar deadlines to the proponent and to county elections officials, and the initiative may be circulated for signatures. The Attorney General's official title and summary for the measure is as follows:

**TAX ON EMPLOYERS WHO COLLECT LIFE-INSURANCE BENEFITS UPON THE DEATH OF FORMER EMPLOYEES. INITIATIVE STATUTE.** Establishes that life insurance proceeds received by an employer upon the death of a former or retired employee will be considered taxable gross income when the employer lacks an "insurable interest" in the employee. Exempts employers who are charitable organizations. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local government: State revenue increases of up to several millions of dollars from higher business income taxes in some years. (09-0009.)

The Secretary of State's tracking number for this measure is 1362 and the Attorney General's tracking number is 09-0009.

The proponent for this measure, Gregory Smith, must collect signatures of 433,971 registered voters – the number equal to 5% of the total votes cast for governor in the 2006 gubernatorial election – in order to qualify it for the ballot. The proponent has 150 days to circulate petitions for this measure, meaning the signatures must be collected by November 13, 2009.

The initiative proponent can be reached at [lifeinsuranceparityact@gmail.com](mailto:lifeinsuranceparityact@gmail.com). No phone number was provided.

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