

April 18, 2012

The Honorable Henry T. Perea
Chair, Assembly Committee on Revenue & Taxation
California State Assembly
State Capitol, Room 4112
Sacramento, CA 94249



RE: AB 2439 (Eng) – Oppose

Dear Chair Perea:

I am writing in opposition to Assembly Bill 2439 (Eng) on behalf of the California Water Association ("CWA"), the statewide trade group that represents more than 125 water utilities regulated by the California Public Utilities Commission ("CPUC" or "Commission"). CWA members provide safe and reliable water service to nearly 6 million Californians. As written, AB 2439 imposes new requirements to report to the Office of the Controller about the payment of state corporate income taxes. Additionally, the bill is retroactive and would require statements to be filed for 2010 and 2011.

One of the distinctions between public water agencies and regulated investor-owned water utilities is that the latter pay taxes in California. However, these investor-owned utilities are concerned that AB 2439 would create new requirements with negligible benefit. CWA's member companies report on local, state and federal taxation information to the CPUC in their required annual reports and as part of their general rate case filings. Providing additional information to another state agency is redundant and will not improve access when more comprehensive information is already on file and publically available at another state agency.

Regrettably, CWA must oppose AB 2439. Please do not hesitate to contact me, or our Legislative Advocate, Meg Catzen-Brown, at 916-442-8888, if you have any questions. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Jack Hawks".

Jack Hawks

Cc: Honorable Members of the Committee on Revenue & Taxation
Honorable Mike Eng
Oksana Jaffe - Committee Chief Consultant
M. David Ruff – Committee Principal Consultant
Assembly Republican Consultant Julia King
Gareth Elliott, Office of the Governor
Ed Randolph, California Public Utilities Commission

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