HOW MEASURES COMPARE

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Here is a comparison of what the rival property tax relief ballot propositions offer:

HOMEOWNER PROPERTY TAX RELIEF

Proposition 8 (Behr)—Taxes on all owner-occupied homes would be cut at least 30%. Additional cuts would be forced by imposing limits on the property taxes local governments could collect. This would push the initial tax reduction to an average 31.7% and boost it to a projected 34.8% in three or four years. The immediate cut on a $60,000 home, for example, would be $451. Basically, the state would be picking up the homeowners' share of county welfare and Medi-Cal costs.

Proposition 13 (Jarvis)—Taxes on property would be cut to a base 1% of appraised cash value. That 1% limit could be exceeded, however, if necessary to repay local bonded debts previously approved by the voters. This would raise the limit an average of another ¼%. In future years, the limit gradually would decline to 1%. Statewide, property taxes would be reduced an average of 57%. The cut for a typical $60,000 home would be $765.

COMMERCIAL PROPERTY TAX RELIEF

Proposition 8—Nothing directly.

Proposition 13—The same as for homeowners. All property, commercial as well as residential, would fall under the same base 1%-of-cash-value taxing limit. In fact, the legislative counsel has interpreted the limit to apply to personal property, such as business inventories, and state-assessed property, such as public utilities.

RENTERS

Proposition 8—The income tax credit for renters would be roughly doubled, from the current $37 to $75. Also, welfare recipients for the first time would receive the credit.

Proposition 13—Nothing directly.

SENIOR CITIZEN HOMEOWNERS

Proposition 8—Currently, the state pays a percentage of the property taxes for homeowners over age 62 whose annual incomes are under $12,000. This income limit would be raised to $13,000 and the benefits substantially improved. For example, after the state paid for 30% of the property taxes, as it would for anyone, it would finance 76% of the remainder for senior citizens with incomes of $6,000, 46% for those with $8,000 incomes and 24% for those with $10,000 incomes. Also, surviving spouses under age 62 could continue to receive the special assistance—as long as they did not remarry—if their late spouse had been eligible for it.

Proposition 13—Nothing special.

SENIOR CITIZEN RENTERS

Proposition 8—Currently, renters over age 62 whose annual incomes are under $5,000 are entitled to special assistance. The income ceiling would be raised to $13,000 and the benefits improved. For example, the annual assistance for a person with a $5,000 income would be $220, for a person with an $8,000 income $115, for a person with a $10,000 income $60, and a $13,000 income $25. Surviving spouses under 62 could continue to receive the special assistance as long as they did not remarry.

Proposition 13—Nothing directly.

TAX ASSESSMENTS

Proposition 8—Owner-occupied residential property, for the first time, could be taxed at a lower rate than commercial property.

Proposition 13—Tax rates would remain the same for all property. However, tax assessments would be rolled back to reflect market values in fiscal 1975-76. Assessments then could climb no faster than 2% annually as long as the same owner held the property. Property sold or constructed after March 1, 1975, could be reassessed to reflect the market value at the time of the transaction.

OTHER TAXING LIMITS

Proposition 8—Increases in local property tax revenues would be limited to amounts equal to inflationary rises, now around 6.5% annually, plus new construction. Since property values have been rising faster than 6.5% annually, this would tend to force down tax rates. Also, for the first time, a modest limit would be placed on state revenues. Any revenue increase exceeding the growth in personal income, multiplied by a factor of 1.2, would be earmarked for tax relief or local revenue sharing.

Proposition 13—It would require a two-thirds vote of each legislative house to raise state taxes. No property-related taxes could be imposed. Now, taxes can be increased by a simple majority vote. Additionally, local governments could impose unspecified "special" taxes, as long as they were not property-related, but only if two-thirds of the registered voters agreed.

IMPACT ON OTHER TAXES

Proposition 8—None directly. The $1.4 billion annual program would be financed completely by surplus state revenues for at least four or five years. After that, it could require a tax increase.

Proposition 13—A lot. Local property tax revenues would be chopped by more than $7 billion annually. So either government expenditures, and consequently services, would have to be cut, or the state would have to raise taxes to help make up the difference. One pending proposal would raise $5.25 billion by hiking the state income tax for everyone by 20% and extending it to some currently exempt low-income persons, increasing the sales tax by 1 cent and expanding it to cover personal services, and boosting bank and corporation taxes by 40%.

EFFECTIVE DATES

Both measures would take effect during the fiscal year beginning July 1.