

State Senate rejects tax extension, budget deadline looms

By Kevin Yamamura and Torey Van Oot, Sacramento Bee

Senate Republicans blocked a tax solution to the deficit Friday, prompting Democrats to respond with a countermeasure expanding local taxation powers.

Thus began Round 2 of the state budget battle, complete with readings of letters from sheriffs and taxpayers, parliamentary gamesmanship and failed amendments on abortion funding.

With a threat of lost pay hanging over their heads, lawmakers face a Wednesday constitutional deadline to balance the budget. The Senate made procedural progress Friday by passing a slew of budget alterations on a majority vote, but state leaders still lack a bipartisan agreement.

The key divide remains taxation. Democrats want to solve the remaining \$9.6 billion deficit with extensions of higher sales and vehicle taxes, as well as a return to higher income tax rates that expired last year. Democrats asserted Friday that they had already taken hard votes by slashing universities and various programs for the poor in March.

“The public doesn’t like cuts and they don’t like taxes,” said Senate President Pro Tem Darrell Steinberg, D-Sacramento. “And as my budget director is fond of noting, I have yet to see a poll that results in a balanced budget. If there was a pain-free option to balancing the budget, we would have passed it months ago.”

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