



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Senate:

I am returning Senate Bill 349 without my signature.

This bill would reduce the minimum franchise tax (MFT) for corporations that have less than \$15 million in gross receipts, as specified.

The intent of this measure is to provide tax relief for smaller California businesses and to encourage economic growth. Both are important goals which I support, and helping small businesses is certainly a priority I share with the Legislature. However, this proposal would be better addressed through the annual budget process.

Sincerely,

Gavin Newsom

A large, stylized handwritten signature in black ink, consisting of several sharp, vertical strokes and a long horizontal line extending to the right.