

LAW OFFICES OF  
**NIELSEN, MERKSAMER,  
HODGSON, PARRINELLO & MUELLER**

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

650 CALIFORNIA STREET, SUITE 2650

SAN FRANCISCO, CALIFORNIA 94108

TELEPHONE (415) 989-6800

SACRAMENTO

770 L STREET, SUITE 800  
SACRAMENTO, CALIFORNIA 95814  
TELEPHONE (916) 446-6752

FILE NUMBER

TO: Station Managers

FROM: Californians Against Unfair Tax Increases/No on Proposition 99, a committee sponsored by the tobacco industry

RE: Analysis of radio spot # 8, "First Glance," opposing the Cigarette and Tobacco Tax Initiative

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AUDIO:

The following ad is paid for by Californians Against Unfair Tax Increases/No on Proposition 99, a committee sponsored by the tobacco industry.

ANALYSIS:

Californians Against Unfair Tax Increases/No on Proposition 99, a committee sponsored by the tobacco industry, is a California nonprofit corporation that paid for this spot. This corporation has editorial control over all spots and agrees with the facts and opinions expressed in this spot. This corporation is registered with the California Secretary of State as a political committee, I.D. # 871687. The Federal Communications Commission requires advertising to be identified by the "person" (entity) paying for it or furnishing it. (47 U.S.C. 317 (A)(1); 47 C.F.R. 73.1212(a).

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Have you ever noticed that some things look good at first glance, but when you look closer, you discover that you know only half the story?

Interrogatory introduction to spot.

Let's take Proposition 99 for instance.

Introduction to subject matter of spot.

You may know that it's the proposition to triple California cigarette tax, but do you know much else about it?

Interrogatory that educates listener that Proposition 99, if enacted, will increase the state excise tax on a package of cigarettes from 10¢ a package (Revenue and Tax Code section 30101) to 35¢ a package. See Exhibit A.

Do you really know what Prop 99 does, or have you just heard half the story?

Interrogatory suggesting that the listener become more knowledgeable about Proposition 99 before voting.

You may be surprised to know that a similar plan died in the state legislature without getting a single vote in committee.

Proposed Assembly Constitutional Amendment No. 14, which is very similar to Proposition 99, failed to receive any motion to "pass" out of the Assembly Revenue and Taxation Committee on May 28, 1988 and, therefore, failed to receive any votes. See Exhibit N.

Not one single vote.

Emphasis on preceding sentence.

Perhaps you'll understand when you learn that Prop 99 directs that hundreds of millions of our tax dollars will end up in the hands of doctors and the medical industry.

Proposed California Revenue and Tax Code sections 30122(a)(3), (b)(3) and 30124(b)(3) of the initiative, if enacted, appropriate 10% of the projected annual income of \$600 million, namely \$60 million, for physicians. See Exhibit A.

Proposed California Revenue and Tax Code sections 30122(a)(3), (b)(2), and 30124(b)(2) of the initiative, if enacted, appropriate 35% of the projected annual income of \$600 million, namely \$210 million, for hospitals. See Exhibit A.

You'll understand even better when you discover that doctors and the medical industry sponsor 99.

The Coalition for a Healthy California, the organization that qualified Proposition 99 for the ballot and the organization that primarily supports and funds the campaign to enact Proposition 99, is sponsored by the California Medical Association and the California Association of Hospitals and Health Systems. See Exhibit M.

When you look closely at 99,  
you'll see that it's promoted  
by doctors for the benefit of  
doctors.

Opinion of spot based on the  
above facts.

Vote no on Proposition 99.

Opinion of spot.

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For further information, please contact Chip Nielsen, Esq. or  
Diane Elan Wick, Esq., Nielsen, Merksamer, Hodgson, Parrinello &  
Mueller, 650 California Street, Suite 2650, San Francisco,  
California 94108, (415) 989-6800, legal counsel for Californians  
Against Unfair Tax Increases.

Attachments: Exhibits A, M, and N