



OFFICE OF THE GOVERNOR

OCT 10 2015

To the Members of the California State Assembly:

I am returning the following nine bills without my signature:

Assembly Bill 35
Assembly Bill 88
Assembly Bill 99
Assembly Bill 428
Assembly Bill 437
Assembly Bill 515
Assembly Bill 931
Senate Bill 251
Senate Bill 377

Each of these bills creates a new tax credit or expands an existing tax credit.

Despite strong revenue performance over the past few years, the state's budget has remained precariously balanced due to unexpected costs and the provision of new services. Now, without the extension of the managed care organization tax that I called for in special session, next year's budget faces the prospect of over \$1 billion in cuts.

Given these financial uncertainties, I cannot support providing additional tax credits that will make balancing the state's budget even more difficult. Tax credits, like new spending on programs, need to be considered comprehensively as part of the budget deliberations.

Sincerely,



Edmund G. Brown Jr.