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October 7, 2026

Governor,
Gavin Newsom

California State Capitol
Sacramento, CA 95814

Senate President Pro Tempore,
Monique Limón
California State Senate
Sacramento, CA 95814

Assembly Speaker,
Robert Rivas
California Assembly

Dear Governor Newsom, Senate President Pro Tempore Limón, and Assembly Speaker Rivas,

These comments are made on behalf of Meta, Uber, and OpenAI. We are writing regarding Senate Bill 1, the Tax Relief & Spending Cap Act, introduced by Senator Steve Choi. We urge the California Legislature and Governor to support SB-1 because responsible tax policy and predictable business costs are essential to maintaining a strong economy, encouraging innovation, and allowing businesses across California to continue investing in their communities.

California's businesses operate in an increasingly competitive environment where the cost of operating, investing, and expanding can directly affect consumers and employees. SB-1 addresses this concern by establishing stronger protections against new taxes, fees, and surcharges imposed on property owners and businesses without direct voter approval. The bill specifically seeks to prevent state agencies from creating new fees or surcharges without voter authorization while maintaining protections against excessive tax increases. These provisions can provide businesses with greater predictability when making long-term decisions about investment and expansion.

For companies operating in technology and transportation, predictable costs are particularly important. Meta and OpenAI continue to depend on substantial investments in technology, infrastructure, and innovation, while Uber operates a transportation platform that connects drivers and riders throughout California. Unexpected fees and increasing costs can make it more difficult for businesses to invest in new technologies, expand operations, and provide affordable services. By limiting the creation of new fees and surcharges on businesses without

direct voter approval, SB-1 can create a more predictable environment for companies making long-term investments in California.

SB-1 also recognizes the importance of responsible fiscal policy. Beginning in fiscal year 2027–2028, the bill directs General Fund revenue surpluses exceeding the specified Gann Limit allocation toward paying outstanding federal Title XII debt and unfunded state liabilities before those funds can be appropriated for new state programs or returned to taxpayers. Responsible management of state finances can help reduce future fiscal pressures and provide greater stability for California's employers and residents.

The bill's emphasis on controlling unnecessary financial burdens is also important for California's broader business community. The legislation identifies excessive taxation as a source of economic inefficiency that can affect both consumers and producers. California has millions of businesses, including private-sector employers and self-employed individuals, that contribute to the state's economy. Maintaining a predictable and responsible fiscal environment can help these businesses continue creating jobs, investing in new ideas, and serving California consumers.

Meta, Uber, and OpenAI believe California can remain a national leader in technology, transportation, and innovation while also pursuing responsible fiscal policies. SB-1 provides an important step toward creating greater predictability for businesses and encouraging long-term economic investment.

Given the scope of SB-1 and its potential to provide greater stability for California businesses, we respectfully urge the Legislature and Governor to support the Tax Relief & Spending Cap Act.

Thank you for your consideration. We look forward to your support of Senate Bill 1.

Sincerely,

Jason Hernandez
Representative,
Meta, Uber, and OpenAI

