Peace and Freedom Party of California
Legislative Committee

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June 29, 2026

Honorable Assembly Member Damon Connolly
1021 O Street, Suite 5240
Sacramento, CA 95814

Subject: AB 1790 (Connolly): Ending the Water's Edge Tax Loophole Support

Dear Assembly Member Connolly:

I am writing to you on behalf of the Peace and Freedom Party of California in support of AB1790 (Connolly).

AB 1790 will return $3 to $4 billion annually by ending a major corporate loophole in California, the Water's Edge Tax Loophole. This loophole allows multinational corporations that are based in the United States to choose to pay California state taxes only on earnings they designate as within the borders, or the water's edge, of the state.

Multinational corporations do this by setting up subsidiaries in foreign countries, often in tax havens such as the Cayman Islands. Of course, multinational corporations control these foreign shell companies where they now claim to have earned their profits, thus depriving California of taxes due to profits actually earned in California.

The Peace and Freedom Party supports ending the Water's Edge Tax Loophole. At our founding convention in Richmond, California, in 1968, the Peace and Freedom Party platform stated that "Taxation must be reformed so that those of low and modest incomes are freed from financing the system that oppresses them; taxes must be levied to limit concentration of wealth; …" AB 1790 is a good first step in ending the many imbalances in our tax codes that allow the rich and super-rich and their corporations to pay a much smaller percentage or no taxes at all.

For these reasons and many others, the Peace and Freedom Party supports AB 1790 and urges legislators at all committees and floor levels to vote aye on it. To learn more about our position on AB 1790, contact me at (916) 320-9186 or CTWeberVoters@att.net.

Sincerely,

C. T. Weber

C. T. Weber
Legislative Liaison
Peace and Freedom Party of California

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