

ALERT

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 **CalChamber**
CALIFORNIA CHAMBER OF COMMERCE

Health Care Tax Law Fix Wins Passage in Assembly



SUPPORT

the Assembly.

The bill, **AB 36 (Perea; D-Fresno)**, conforms California with federal law regarding the taxable status of health care coverage for an adult child up to the age of 26, as well as payments or reimbursements made by an employer for an employee's adult child.

A California Chamber of Commerce-supported bill to remove the state tax on health care coverage for certain adult children has passed

The federal Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act, both passed in March 2010, allowed children up to the age of 26 to remain on their parents' health care plans.

The federal government also amended the Internal Revenue Code to reflect that the value of the coverage provided for these adult children as well as any payments/reimbursements made by the employer for the medical expenses of such children is not taxable income to the parent.

Last year, California legislation expanded medical coverage to dependents
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Chevron CEO to Speak at CalChamber Business Summit



John S. Watson

John S. Watson, chairman and CEO of Chevron Corporation, will be a featured morning speaker at the California Chamber of Commerce Business Summit on June 1 in Sacramento.

The day-long summit marks its 24th anniversary this year, offering business owners, CEOs, public affairs staff, local chamber of commerce staff, board members, committee members and many more a look at current policy issues and actions needed to promote certainty for businesses in today's uncertain economy.

John S. Watson

Watson joined Chevron in 1980 as a financial analyst, holding financial, analytical and supervisory positions before being elected president of Chevron Canada Ltd. in 1996.

In 1998, he was elected a vice president of the corporation, with responsibility for strategic planning and mergers and acquisitions. He led the company's integration effort in 2000 following the Chevron-Texaco merger and then became the corporation's chief financial officer.

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European Union Ambassador Comments on World Economic, Political Developments



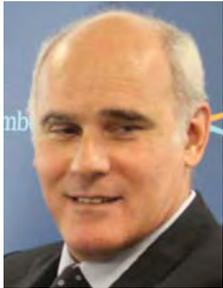
Photo by Megan Wood

European Union Ambassador João Vale de Almeida (right) answers questions on the European Union's goals, organizations and concerns at a CalChamber International Luncheon Forum on March 9. CalChamber President and CEO Allan Zarembert (left) serves as session moderator. Story on Page 5.

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European Union Ambassador Comments on World Economic/Political Developments



**Ambassador
João Vale de Almeida**

Cooperation between the European Union and the United States can only help the two entities deal with similar global economic problems, the E.U. ambassador told a California Chamber of

Commerce audience this week.

E.U. Ambassador to the United States João Vale de Almeida presented his perspectives on E.U. relations with the U.S. in response to questions from CalChamber President and CEO Allan Zaremberg and other audience members at the CalChamber-hosted International Luncheon Forum on March 9.

Economic Competition

The ambassador commented that as older industrialized societies, the E.U. and the U.S. face competition from the economic emergence of other countries around the world.

On one hand, he said, this might

provide a challenge to E.U. and U.S. companies due to other countries' low manufacturing and labor costs. More important, however, is that the rise of other economies will open new markets, create new consumers and lead to democratization, he said.

"The rising of countries like China, Brazil, India and others is a good thing. This means millions of people coming out of poverty...and millions of people becoming consumers," said Ambassador Vale de Almeida.

But he also warned that these emerging countries will have to share the responsibilities of other world powers and ensure that the rule of law is preserved, markets are open to all and intellectual property is safeguarded.

Debt/Entitlement

Another area of commonality is the problem of rising debts and entitlement costs. The E.U. recently had to take emergency measures to rescue its own member-states Greece and Ireland from economic collapse. The ambassador said that Western countries are going to have to make the difficult reforms of entitlements such as pensions, like the

E.U. is doing now, because the status quo will not work.

"We need to make reforms, very tough, very difficult ones. You will go on seeing demonstrations in European capitals," stated the ambassador. "People are angry; I understand. People feel that these are their entitlements; I understand that as well. But the question is simple—either we solve it now or our grandchildren will have a bigger problem."

North Africa

In regards to the political unrest in North Africa, Ambassador Vale de Almeida said he was happy with the overall trend of the people striving for more freedoms and democracy. "These people are trying to join our camp," he commented. However, he condemned the use of violence by all sides.

The E.U. and the U.S. must continue to cooperate in dealing with the situation, especially in preventing countries like Libya from becoming a failed state, he said.

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CalChamber

2011 Business Summit

June 1-2, 2011 | Sacramento

FEATURING

Dr. Frank I. Luntz
Communications Expert, Political Pollster and Bestselling Author

John S. Watson
Chairman and Chief Executive Officer
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