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**Introduced by Senator Vasconcellos**

February 23, 2001

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An act to add Sections 17053.82 and 23682 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1163, as introduced, Vasconcellos. Income and bank and corporation tax credits: information technology training.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would, under both laws, allow a credit in an amount, not to exceed specified amounts, equal to the cost paid or incurred by a taxpayer during the taxable year for information technology training for the taxpayer or any employee of the taxpayer, as provided. The bill would require the Governor to establish an Information Technology Training Certification Board to perform certain functions in connection with this credit.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 17053.82 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.82. (a) There shall be allowed as a credit against the
- 4 "net tax," as defined in Section 17039, an amount equal to the
- 5 cost, not to exceed one thousand five hundred dollars (\$1,500),
- 6 paid or incurred by a taxpayer during the taxable year for

1 information technology training for the taxpayer or any employee  
2 of the taxpayer.

3 (b) The credit allowed under subdivision (a) shall be two  
4 thousand dollars (\$2,000) in the case of a taxpayer that is a small  
5 business or if the information technology training takes place in an  
6 underserved area.

7 (c) For purposes of this section:

8 (1) “Information technology training” means any training that  
9 leads to an industry-accepted IT Training Certification for the  
10 participant.

11 (2) “Small business” means an employer who has 200 or fewer  
12 employees for each working day in each of 20 or more calendar  
13 weeks in the current or preceding calendar year.

14 (3) “Underserved community” means an area that is any of the  
15 following:

16 (A) An empowerment zone or enterprise zone.

17 (B) A school district in which at least 50 percent of the students  
18 attending schools in that district are eligible for free or  
19 reduced-cost lunches under the school lunch program established  
20 under the National School Lunch Act.

21 (C) An area designated by the Secretary of Agriculture as a  
22 Rural Economic Area Partnership Zone.

23 (D) An area declared by the Governor as a natural disaster area.

24 (d) The Governor shall establish an advisory group, to be  
25 known as the “Information Technology Training Certification  
26 Board,” composed of information technology certification and  
27 training associations and companies to develop a list of the latest  
28 industry certifications that will qualify for the credit under this  
29 section or Section 23682. The Information Technology Training  
30 Certification Board shall be chaired by an information technology  
31 industry trade association and composed of not more than 15  
32 members. The board shall meet at least annually and shall submit  
33 its annual recommended list of certifications to the National  
34 Science Foundation not later than October 1 of each calendar year.

35 (e) In the case where the credit allowed by this section exceeds  
36 the “net tax,” the excess may be carried over to reduce the “net  
37 tax” in the following year, and succeeding years if necessary, until  
38 the credit is exhausted.

39 SEC. 2. Section 23682 is added to the Revenue and Taxation  
40 Code, to read:



1 23682. (a) There shall be allowed as a credit against the  
2 “tax,” as defined in Section 23036, an amount equal to the cost,  
3 not to exceed one thousand five hundred dollars (\$1,500), paid or  
4 incurred by a taxpayer during the taxable year for information  
5 technology training for the taxpayer or any employee of the  
6 taxpayer.

7 (b) The credit allowed under subdivision (a) shall be two  
8 thousand dollars (\$2,000) in the case of a taxpayer that is a small  
9 business or if the information technology training takes place in an  
10 underserved area.

11 (c) For purposes of this section:

12 (1) “Information technology training” means any training that  
13 leads to an industry-accepted IT Training Certification for the  
14 participant.

15 (2) “Small business” means an employer who has 200 or fewer  
16 employees for each working day in each of 20 or more calendar  
17 weeks in the current or preceding calendar year.

18 (3) “Underserved community” means an area that is any of the  
19 following:

20 (A) An empowerment zone or enterprise community.

21 (B) A school district in which at least 50 percent of the students  
22 attending schools in that district are eligible for free or  
23 reduced-cost lunches under the school lunch program established  
24 under the National School Lunch Act.

25 (C) An area designated by the Secretary of Agriculture as a  
26 Rural Economic Area Partnership Zone.

27 (D) An area declared by the Governor as a natural disaster area.

28 (d) The Governor shall establish an advisory group, to be  
29 known as the “Information Technology Training Certification  
30 Board,” composed of information technology certification and  
31 training associations and companies to develop a list of the latest  
32 industry certifications that will qualify for the credit under this  
33 section or Section 17053.82. The Information Technology  
34 Training Certification Board shall be chaired by an information  
35 technology industry trade association and composed of not more  
36 than 15 members. The board shall meet at least annually and shall  
37 submit its annual recommended list of certifications to the  
38 National Science Foundation not later than October 1 of each  
39 calendar year.



1 (e) In the case where the credit allowed by this section exceeds  
2 the “tax,” the excess may be carried over to reduce the “tax” in  
3 the following year, and succeeding years if necessary, until the  
4 credit is exhausted.

5 SEC. 3. This act provides for a tax levy within the meaning of  
6 Article IV of the Constitution and shall go into immediate effect.

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