

AMENDED IN ASSEMBLY APRIL 27, 2010

AMENDED IN ASSEMBLY APRIL 5, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2171

**Introduced by ~~Assembly Member Charles Calderon~~ *Assembly
Members Charles Calderon and Portantino***

February 18, 2010

An act to add Section 39 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2171, as amended, Charles Calderon. Tax benefits.

Existing law imposes various taxes and allows specified credits, deductions, exclusions, and exemptions in computing those taxes.

This bill would condition the allowance of a tax benefit established in a statute that takes effect on or after January 1, 2011, on the allowable amount of that tax benefit being determined in a separate statute, as provided, ~~and the tax benefit shall be paid pursuant to an annual appropriation by the Legislature for that purpose~~ *would require the Legislature to annually establish the maximum amount to be allowed for a tax benefit, as provided.*

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 39 is added to the Revenue and Taxation
- 2 Code, to read:

1 39. (a) For a tax benefit that takes effect on or after January
 2 1, 2011, the Legislature shall establish in an act, for the taxable
 3 year for which any tax benefit allowed under Chapter 10
 4 (commencing with Section 17001) or Chapter 11 (commencing
 5 with Section 23001), and for any one or more reporting periods
 6 established under any other provision of this code, the total amount
 7 that is authorized or allowed for that tax benefit for that taxable
 8 year or reporting period, as applicable.

9 ~~39. (a)~~

10 (b) The allowance of any tax benefit established in a statute that
 11 takes effect on or after January 1, 2011, is subject to both of the
 12 following:

13 (1) For each ~~calendar~~ taxable year or any portion thereof to
 14 which it pertains, the tax benefit shall be allowed to ~~each eligible~~
 15 ~~taxpayer~~ a person only in that amount, equal to or less than the
 16 amount of that benefit as established in statute, that is annually
 17 determined in a separate statute to be consistent with the ability
 18 of state government to meet its expenditure obligations under law.

19 A

20 (2) A tax benefit established in a statute that takes effect on or
 21 after January 1, 2011, is not allowed for any ~~year~~ taxable year or
 22 reporting period, as applicable, until the allowable amount of that
 23 tax benefit is determined in a separate statute in accordance with
 24 this ~~subdivision~~ section.

25 ~~(2) In the amount determined to be allowable in accordance~~
 26 ~~with subdivision (a), a tax benefit established in a statute that takes~~
 27 ~~effect on or after January 1, 2011, shall be paid to each taxpayer~~
 28 ~~pursuant to an annual appropriation made by the Legislature for~~
 29 ~~that purpose.~~

30 ~~(b)~~

31 (c) For purposes of this section, “tax benefit” means a credit,
 32 deduction, exclusion, exemption, or other tax advantage to a person
 33 that has the effect of reducing the person’s tax liability to the state.