

**ASSEMBLY BILL**

**No. 1597**

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**Introduced by Assembly Member Cook**

February 6, 2012

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An act to add Section 17054.6 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1597, as introduced, Cook. Personal income tax: credit: loss of income.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would authorize a refundable credit against those taxes for each taxable year beginning on or after January 1, 2012, in an amount equal to 10% of the loss of income, as defined, not to exceed \$300 if single and \$600 if married, subject to certain limitations. The bill, upon appropriation by the Legislature, would require the refunds to be paid from the Tax Relief and Refund Account.

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 17054.6 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17054.6. (a) For each taxable year beginning on or after
- 4 January 1, 2012, there shall be allowed as a credit against the “net

1 tax,” as defined in Section 17039, an amount equal to 10 percent  
2 of the loss of income of a taxpayer.

3 (b) The credit under this section shall not exceed three hundred  
4 dollars (\$300) per taxable year for a single individual or a married  
5 individual filing a separate return, and six hundred dollars (\$600)  
6 per taxable year for a married couple filing a joint return.

7 (c) For purposes of this section, “loss of income” means a  
8 reduction in adjusted gross income in the current taxable year from  
9 the preceding taxable year of 10 percent or more.

10 (d) The credit under this section shall be allowed only if adjusted  
11 gross income for the taxable year is less than:

12 (1) Eighty thousand dollars (\$80,000), if single.

13 (2) One hundred sixty thousand dollars (\$160,000), if married.

14 (e) If the amount allowable as a credit under this section exceeds  
15 the tax liability computed under this part, the excess shall be  
16 credited against other amounts due, if any, and the balance, if any,  
17 shall, upon appropriation by the Legislature, be paid from the Tax  
18 Relief and Refund Account and refunded to the taxpayer.

19 (f) The Franchise Tax Board may prescribe those regulations  
20 as may be necessary to administer and carry out the purposes of  
21 this section.

22 SEC. 2. This act provides for a tax levy within the meaning of  
23 Article IV of the Constitution and shall go into immediate effect.