

AMENDED IN ASSEMBLY APRIL 2, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 362

Introduced by Assembly Member Ting

February 14, 2013

An act to add Section 17141 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 362, as amended, Ting. Personal income taxes: ~~exemption:~~ *exclusion:* health insurance.

The Personal Income Tax Law ~~imposes a tax on individual taxpayers measured by the amount of the taxpayer's taxable income for the taxable year, but exempts certain items of income from that tax~~ *imposes taxes based upon gross income, and defines gross income as all income from whatever source derived, unless specifically excluded.*

~~This bill would state the intent of the Legislature to enact legislation that would provide an exemption from personal income taxes for qualified income, as specified, paid to an individual by his or her employer~~ *also exclude from gross income any amount received by an employee from an employer to reimburse specified federal income taxes paid by the employee.*

This bill would take effect immediately as a tax levy.

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

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

1 *SECTION 1. Section 17141 is added to the Revenue and*
2 *Taxation Code, to read:*

3 *17141. Gross income shall not include any amount received*
4 *by an employee from an employer to reimburse federal income*
5 *taxes paid by the employee because, for federal income tax*
6 *purposes, the same-sex spouse or domestic partner of the employee*
7 *is not considered the spouse of the employee under Section 105(a)*
8 *or Section 106(a) of the Internal Revenue Code, including any*
9 *reimbursement of federal income taxes paid with respect to those*
10 *amounts.*

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

13 ~~*SECTION 1. It is the intent of the Legislature to enact*~~
14 ~~*legislation that would provide an exemption from personal income*~~
15 ~~*taxes for qualified income paid to an individual by his or her*~~
16 ~~*employer. "Qualified income" means income paid to offset the*~~
17 ~~*cost of federal taxes paid by an individual for employer-sponsored*~~
18 ~~*health insurance for a same-sex domestic partner or same-sex*~~
19 ~~*spouse and the dependents of the same-sex domestic partner or*~~
20 ~~*same-sex spouse.*~~

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