

AMENDED IN SENATE APRIL 22, 2013

**SENATE BILL**

**No. 810**

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**Introduced by Senator Price**  
*(Coauthor: Senator Lieu)*

February 22, 2013

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An act to add and repeal Division 4 (commencing with Section 64140) of Title 6.7 of the Government Code, and to add and repeal Sections 17053.58, 17053.59, 17053.60, 17053.65, 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 810, as amended, Price. ~~California Transportation Financing Authority; Franchise Tax Board~~: tax credit certificates for exporters and importers: income tax credit.

~~Existing law creates the California Transportation Financing Authority, with various powers and duties relative to the financing of transportation projects.~~

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

This bill would authorize the ~~authority~~ Franchise Tax Board to award tax credit certificates to exporters and importers, as defined, that demonstrate to the satisfaction of the ~~authority~~ Franchise Tax Board that, during the taxable year, they have increased their cargo tonnage or value through California ports and airports by specified amounts or had a net increase in qualified full-time employees hired in California or have incurred capital costs for a cargo facility in California. The bill would authorize an aggregate \$500,000,000 in tax credit certificates to be awarded by the ~~authority~~ Franchise Tax Board for taxable years

beginning on or after January 1, 2014, and before January 1, 2019, as provided. The bill would authorize the ~~authority~~ *Franchise Tax Board* to impose fees to cover its costs, with fees to be deposited in the Job and Trade Competitiveness Fee Account, which the bill would create in the State Treasury. The bill would authorize the ~~authority~~ *Franchise Tax Board* to borrow money until the time that sufficient fee revenue is available, with loans made to the ~~authority~~ *Franchise Tax Board* to be repayable solely from revenues in the account.

The bill would make legislative findings and declarations.

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

This bill would, for taxable years beginning on or after January 1, 2014, and before January 1, 2019, allow a credit or credits in an aggregate amount not to exceed \$250,000 for a taxable year against the taxes imposed by those laws if a taxpayer receives a tax credit certificate from the ~~authority~~ *Franchise Tax Board*.

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. Division 4 (commencing with Section 64140) is~~  
 2     ~~added to Title 6.7 of the Government Code, to read:~~  
 3  
 4     ~~DIVISION 4. JOB AND TRADE COMPETITIVENESS ACT~~  
 5  
 6     ~~64140. (a) The Legislature finds and declares all of the~~  
 7     ~~following:~~  
 8     ~~(1) California is the international trade leader of the United~~  
 9     ~~States as the gateway to the dynamic economies of the Pacific~~  
 10    ~~Rim. International trade is one of the most important economic~~  
 11    ~~and job creation drivers of the state and a key to the state's~~  
 12    ~~economic recovery. Together, the three California customs districts~~  
 13    ~~of Los Angeles, San Diego, and San Francisco led the nation by~~  
 14    ~~processing approximately \$500 billion in two-way trade value in~~  
 15    ~~2010. The combined California ports of Los Angeles, Long Beach,~~  
 16    ~~and Oakland are the busiest seaports in the nation, handling~~  
 17    ~~approximately 45 percent of all the waterborne containerized cargo~~  
 18    ~~coming into the United States.~~

1     ~~(2) California, however, must do more to ensure that California~~  
2 ~~ports remain competitive, as the Gulf, East Coast, and Mexican~~  
3 ~~ports work to attract business away from California seaports and~~  
4 ~~competition intensifies after the expansion of the Panama Canal~~  
5 ~~in 2014. California ports are taking action to retain market share~~  
6 ~~by expanding terminal capacity and investing in other trade-related~~  
7 ~~infrastructure projects, but more needs to be done to protect~~  
8 ~~California’s vitally important international trade sector, including~~  
9 ~~creating incentives to maintain and grow new jobs related to~~  
10 ~~business, manufacturing, and trade in the years ahead.~~

11     ~~(3) Providing California tax credits to exporters and importers~~  
12 ~~through California ports and airports and increasing cargo-moving~~  
13 ~~capacity at California’s ports and airports will support President~~  
14 ~~Obama’s national export initiative.~~

15     ~~(b) It is the intent of the Legislature to boost exports and imports~~  
16 ~~through California ports and airports by providing tax credits for~~  
17 ~~California exporters and importers and by providing tax credits~~  
18 ~~for increasing cargo-moving capacity.~~

19     ~~64141. For the purposes of this division, the following terms~~  
20 ~~have the following meanings:~~

21     ~~(a) “Annual full-time equivalent” means either of the following:~~

22     ~~(1) In the case of a full-time employee who was paid hourly~~  
23 ~~qualified wages, “annual full-time equivalent” means the total~~  
24 ~~number of hours worked for the taxpayer by the employee (not to~~  
25 ~~exceed 2,000 hours per employee) divided by 2,000.~~

26     ~~(2) In the case of a salaried full-time employee, “annual full-time~~  
27 ~~equivalent” means the total number of weeks worked for the~~  
28 ~~taxpayer by the employee divided by 52.~~

29     ~~(b) “Authority” means the California Transportation Financing~~  
30 ~~Authority established in Section 64101.~~

31     ~~(c) (1) “Capital costs” means all costs and expenses incurred~~  
32 ~~by one or more exporter or importer in connection with the~~  
33 ~~acquisition, construction, installation, and equipping of a cargo~~  
34 ~~facility, including any environmental mitigation undertaken~~  
35 ~~specifically to reduce the impacts of a cargo facility, during the~~  
36 ~~period commencing with the date on which the acquisition,~~  
37 ~~construction, installation, and equipping commences and ending~~  
38 ~~on the date on which the cargo facility is placed in service.~~

39     ~~(2) Capital costs shall include, but not be limited to, the~~  
40 ~~following:~~

- 1     ~~(A) The costs of acquiring, constructing, installing, equipping,~~  
2     ~~and financing a cargo facility, including all obligations incurred~~  
3     ~~for labor and to contractors, subcontractors, builders, and~~  
4     ~~materialmen.~~
- 5     ~~(B) The costs of acquiring land or rights in land and any cost~~  
6     ~~incidental thereto, including recording fees.~~
- 7     ~~(C) The costs of contract bonds and of insurance of any kind~~  
8     ~~that may be required or necessary during the acquisition,~~  
9     ~~construction, or installation of a cargo facility.~~
- 10    ~~(D) The costs of architectural and engineering services,~~  
11    ~~including test borings, surveys, estimates, plans, specifications,~~  
12    ~~preliminary investigations, environmental mitigation, and~~  
13    ~~supervision of construction, as well as for the performance of all~~  
14    ~~the duties required by or consequent upon the acquisition,~~  
15    ~~construction, and installation of a cargo facility.~~
- 16    ~~(E) The costs associated with installation of fixtures and~~  
17    ~~equipment, surveys, including archaeological and environmental~~  
18    ~~surveys, site tests and inspections, subsurface site work, excavation,~~  
19    ~~removal of structures, roadways, and other surface obstructions,~~  
20    ~~filling, grading, paving, and provisions for drainage, stormwater~~  
21    ~~retention, installation of utilities, including water, sewerage~~  
22    ~~treatment, gas, electricity, communications, and similar facilities,~~  
23    ~~and offsite construction of utility extensions to the boundaries of~~  
24    ~~the property.~~
- 25    ~~(F) The costs of completing any environmental mitigation.~~
- 26    ~~(G) All other costs of a nature comparable to those described,~~  
27    ~~including, but not limited to, all project costs required to be~~  
28    ~~capitalized for federal income tax purposes pursuant to the~~  
29    ~~provisions of Section 263(a) of Title 26 of the United States Code.~~
- 30    ~~(H) Costs otherwise defined as capital costs incurred by the~~  
31    ~~exporter or importer where the qualifying taxpayer is the lessee~~  
32    ~~under a lease that contains a term of not less than five years and~~  
33    ~~is characterized as a capital lease for federal income tax purposes.~~
- 34    ~~(3) Capital costs shall not include property owned or leased by~~  
35    ~~the exporter or importer or a related entity before the~~  
36    ~~commencement of the acquisition, construction, installation, or~~  
37    ~~equipping of the cargo facility, unless the property was physically~~  
38    ~~located outside the state for a period of at least one year prior to~~  
39    ~~the date on which the cargo facility was placed in service.~~

- 1 ~~(4) Capital costs shall not include project costs that were~~  
2 ~~expended prior to January 1, 2014.~~
- 3 ~~(d) “Cargo facility” means a capital project at a port or airport~~  
4 ~~in California designed to increase cargo-moving capacity at that~~  
5 ~~port or airport and that is expended in a taxable year and has a~~  
6 ~~useful life of five years or more.~~
- 7 ~~(e) “Export cargo tonnage” means the weight of cargo exported~~  
8 ~~through California ports by an exporter to destinations outside the~~  
9 ~~United States.~~
- 10 ~~(f) “Export cargo value” means the value of cargo exported~~  
11 ~~through California airports by an exporter to destinations outside~~  
12 ~~of the United States as certified by the applicant for a tax credit~~  
13 ~~certificate.~~
- 14 ~~(g) “Exporter” means a California taxpayer that is the shipper~~  
15 ~~of record of agricultural products or manufactured goods on an~~  
16 ~~ocean bill of lading or on an air waybill.~~
- 17 ~~(h) “Import cargo tonnage” means the weight of cargo imported~~  
18 ~~by an importer through California ports by that importer from~~  
19 ~~outside the United States.~~
- 20 ~~(i) “Import cargo value” means the value of cargo imported~~  
21 ~~through California airports by an importer from outside the United~~  
22 ~~States as certified by the applicant for a tax credit certificate.~~
- 23 ~~(j) “Importer” means a California taxpayer that is the consignee~~  
24 ~~of record of agricultural products or manufactured goods on an~~  
25 ~~ocean bill of lading or on an air waybill.~~
- 26 ~~(k) (1) “Qualified full-time employee” means either of the~~  
27 ~~following:~~
- 28 ~~(A) A qualified employee who was paid qualified wages by the~~  
29 ~~qualified employer for services of not less than an average of 35~~  
30 ~~hours per week.~~
- 31 ~~(B) A qualified employee who was a salaried employee and~~  
32 ~~was paid compensation during the taxable year for full-time~~  
33 ~~employment, within the meaning of Section 515 of the Labor Code,~~  
34 ~~by the qualified employer.~~
- 35 ~~(2) A “qualified employee” shall not include any of the~~  
36 ~~following:~~
- 37 ~~(A) An employee certified as a qualified employee in an~~  
38 ~~enterprise zone designated in accordance with Chapter 12.8~~  
39 ~~(commencing with Section 7070) of Division 7 of Title 1.~~

1 ~~(B) An employee certified as a qualified disadvantaged~~  
2 ~~individual in a manufacturing enhancement area designated in~~  
3 ~~accordance with Section 7073.8.~~

4 ~~(C) An employee certified as a qualified employee in a targeted~~  
5 ~~tax area designated in accordance with Section 7097.~~

6 ~~(D) An employee certified as a qualified disadvantaged~~  
7 ~~individual or a qualified displaced employee in a local agency~~  
8 ~~military base recovery area (LAMBRA) designated in accordance~~  
9 ~~with Chapter 12.97 (commencing with Section 7105) of Division~~  
10 ~~7 of Title 1.~~

11 ~~(E) An employee whose wages are included in calculating any~~  
12 ~~other credit allowed under Part 10 (commencing with Section~~  
13 ~~17001) or Part 11 (commencing with Section 23001) of Division~~  
14 ~~2 of the Revenue and Taxation Code.~~

15 ~~(f) “Qualified wages” means wages subject to Division 6~~  
16 ~~(commencing with Section 13000) of the Unemployment Insurance~~  
17 ~~Code.~~

18 ~~(m) “Tax credit certificate” means a certificate awarded by the~~  
19 ~~authority to an exporter or importer evidencing the right of the~~  
20 ~~exporter or importer to claim the tax credits provided for in this~~  
21 ~~division in the amount specified in the certificate.~~

22 ~~64142. (a) Subject to the limitations in subdivision (f), for~~  
23 ~~taxable years beginning on or after January 1, 2014, and before~~  
24 ~~January 1, 2019, the authority may award a tax credit certificate~~  
25 ~~to a person that is an exporter or importer pursuant to subdivisions~~  
26 ~~(b), (c), and (d) in an aggregate amount that is not greater than two~~  
27 ~~hundred fifty thousand dollars (\$250,000) for a taxable year.~~

28 ~~(b) A tax credit certificate, in an amount specified in subdivision~~  
29 ~~(a) of Section 17053.60 of the Revenue and Taxation Code or~~  
30 ~~subdivision (a) of Section 23660 of the Revenue and Taxation~~  
31 ~~Code, may be awarded by the authority to any of the following:~~

32 ~~(1) Exporters that demonstrate to the satisfaction of the authority~~  
33 ~~that they have increased their export cargo tonnage through~~  
34 ~~California ports in a taxable year beginning on or after January 1,~~  
35 ~~2014, and before January 1, 2019, by at least 5 percent over their~~  
36 ~~export cargo tonnage through California ports for the preceding~~  
37 ~~taxable year.~~

38 ~~(2) Importers that demonstrate to the satisfaction of the authority~~  
39 ~~that they have increased their import cargo tonnage through~~  
40 ~~California ports in a taxable year beginning on or after January 1,~~

1 2014, and before January 1, 2019, by at least 5 percent over their  
2 import cargo tonnage through California ports for the preceding  
3 taxable year.

4 (3) Exporters that demonstrate to the satisfaction of the authority  
5 that they have increased their export cargo value through California  
6 airports in a taxable year beginning on or after January 1, 2014,  
7 and before January 1, 2019, by at least 5 percent over their export  
8 cargo value through California airports for the preceding taxable  
9 year.

10 (4) Importers that demonstrate to the satisfaction of the authority  
11 that they have increased their import cargo value through California  
12 airports in taxable year beginning on or after January 1, 2014, and  
13 before January 1, 2019, by at least 5 percent over their import  
14 cargo value through California airports for the preceding taxable  
15 year.

16 (5) Exporters or importers that demonstrate to the satisfaction  
17 of the authority that they have exported or imported export or  
18 import cargo tonnage through California ports in excess of 400,000  
19 tons in a taxable year beginning on or after January 1, 2014, and  
20 before January 1, 2019, and that they did not export or import  
21 cargo through California ports in the preceding taxable year.

22 (6) Exporters and importers that demonstrate to the satisfaction  
23 of the authority that they have exported or imported cargo through  
24 California airports with export or import cargo value in excess of  
25 two hundred fifty thousand dollars (\$250,000) in a taxable year  
26 beginning on or after January 1, 2014, and before January 1, 2019,  
27 and that they did not export or import cargo through California  
28 airports in the preceding taxable year.

29 (e) (1) A tax credit certificate, in an amount specified in  
30 subdivision (a) of Section 17053.65 of the Revenue and Taxation  
31 Code or subdivision (a) of Section 23665 of the Revenue and  
32 Taxation Code, may be awarded by the authority to an exporter  
33 or importer that demonstrates to the satisfaction of the authority  
34 that the exporter or importer had a net increase in qualified  
35 full-time employees hired in California during the taxable year.

36 (2) The net increase in qualified full-time employees of a  
37 qualified employer shall be determined as provided by this  
38 paragraph:

39 (A) The net increase in qualified full-time employees shall be  
40 determined on an annual full-time equivalent basis by subtracting

1 from the amount determined in clause (ii) the amount determined  
2 in clause (i):

3 (i) The total number of qualified full-time employees employed  
4 in the preceding taxable year by the taxpayer and by any trade or  
5 business acquired by the taxpayer during the current taxable year.

6 (ii) The total number of full-time employees employed in the  
7 current taxable year by the taxpayer and by any trade or business  
8 acquired during the current taxable year.

9 (B) For taxpayers that first commence doing business in this  
10 state during the taxable year, the number of full-time employees  
11 for the immediately preceding prior taxable year shall be zero.

12 (d) A tax credit certificate, in an amount specified in subdivision  
13 (a) of Section 17053.66 of the Revenue and Taxation Code or  
14 subdivision (a) of Section 23666 of the Revenue and Taxation  
15 Code, may be awarded by the authority to an exporter or importer  
16 that demonstrates to the satisfaction of the authority that the  
17 exporter or importer has paid capital costs on a cargo facility in  
18 California during the taxable year.

19 (e) The authority shall, consistent with the requirements and  
20 criteria of this division and Sections 17053.60, 17053.65, 17053.66,  
21 23660, 23665, and 23666 of the Revenue and Taxation Code, do  
22 all of the following:

23 (1) Establish a procedure for applicants to apply for the tax  
24 credit certificates, and a process to award those tax credit  
25 certificates on a first-come-first-served basis.

26 (2) Determine the information necessary to be provided by an  
27 applicant to the authority in order to award the tax credit  
28 certificates.

29 (3) Develop and provide application forms for use by applicants  
30 for tax credit certificates. The application form shall provide for  
31 inclusion of the applicant's taxpayer identification number.

32 (f) The total amount of tax credit certificates authorized to be  
33 awarded pursuant to subdivisions (b), (c), and (d) in each of the  
34 five calendar years beginning with January 1, 2014, is one hundred  
35 million dollars (\$100,000,000), for a total of five hundred million  
36 dollars (\$500,000,000), and any portion of that authorization not  
37 awarded in any calendar year may be awarded in a future calendar  
38 year ending before January 1, 2019.

39 (g) (1) The authority shall establish and charge applicants fees  
40 that it determines are reasonably sufficient to cover all of its costs

1 in carrying out its responsibilities under this division. The fees  
2 shall be deposited in the Job and Trade Competitiveness Fee  
3 Account, which is hereby established in the State Treasury. Moneys  
4 in the account shall be available, upon appropriation by the  
5 Legislature, to the authority for the purpose of implementing this  
6 division.

7 (2) Until the time that sufficient revenue is received by the  
8 authority, the authority may borrow any money as may be required  
9 for the purpose of meeting necessary expenses under this division,  
10 not to exceed the amount appropriated. A loan made to the  
11 authority shall be repayable solely from moneys appropriated to  
12 the authority from the Job and Trade Competitiveness Fee Account  
13 and shall not constitute a general obligation of the state for which  
14 the full faith and credit of the state are pledged.

15 (h) The authority shall determine the amount of each tax credit  
16 pursuant to this division and Sections 17053.60, 17053.65,  
17 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation  
18 Code, and the Franchise Tax Board shall not be responsible for  
19 determining the amount of that tax credit. The authority shall  
20 provide the Franchise Tax Board with an electronic copy of each  
21 tax credit certification awarded by it within 30 days after issuing  
22 the certificate. The tax credit certificate shall include the date of  
23 issuance, the amount of the tax credit, the name, the type of credit  
24 awarded, and taxpayer identification number of the exporter or  
25 importer to which the certificate was awarded.

26 (i) The authority shall establish audit procedures of taxpayers  
27 who have been awarded a tax credit certificate to verify that the  
28 tax credit certificate was awarded consistent with the requirements  
29 of this division and Sections 17053.60, 17053.65, 17053.66, 23660,  
30 23665, and 23666 of the Revenue and Taxation Code. The authority  
31 shall conduct audits at random as the authority deems appropriate.

32 (j) In the event that the authority determines that any amount  
33 of a tax credit certificate was not awarded consistent with the  
34 requirements of this division or Sections 17053.60, 17053.65,  
35 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation  
36 Code, the authority shall cancel any unapplied amount erroneously  
37 awarded and any previously allowed credit erroneously awarded  
38 shall be recaptured. The authority shall notify the Franchise Tax  
39 Board of any amounts of a tax credit certificate that were  
40 erroneously awarded and were canceled.

1 ~~(k) The authority may prescribe rules, guidelines, or procedures~~  
2 ~~necessary or appropriate to carry out the purposes of this division.~~  
3 ~~Chapter 3.5 (commencing with Section 11340) of Part 1 of Division~~  
4 ~~3 of Title 2 does not apply to any rule, guideline, or procedure~~  
5 ~~prescribed by the authority pursuant to this subdivision.~~

6 ~~(l) A tax credit certificate awarded pursuant to this section shall~~  
7 ~~not be transferable.~~

8 ~~(m) The authority shall notify the taxpayer within 45 days of~~  
9 ~~either a denial of the tax credit certificate application or an award~~  
10 ~~of a tax credit certificate.~~

11 ~~(n) This division shall remain in effect only until January 1,~~  
12 ~~2021, and as of that date is repealed.~~

13 *SECTION 1. (a) The Legislature finds and declares all of the*  
14 *following:*

15 *(1) California is the international trade leader of the United*  
16 *States as the gateway to the dynamic economies of the Pacific Rim.*  
17 *International trade is one of the most important economic and job*  
18 *creation drivers of the state and a key to the state's economic*  
19 *recovery. Together, the three California customs districts of Los*  
20 *Angeles, San Diego, and San Francisco led the nation by*  
21 *processing approximately \$500 billion in two-way trade value in*  
22 *2010. The combined California ports of Los Angeles, Long Beach,*  
23 *and Oakland are the busiest seaports in the nation, handling*  
24 *approximately 45 percent of all the waterborne containerized*  
25 *cargo coming into the United States.*

26 *(2) California, however, must do more to ensure that California*  
27 *ports remain competitive, as the Gulf, East Coast, and Mexican*  
28 *ports work to attract business away from California seaports and*  
29 *competition intensifies after the expansion of the Panama Canal*  
30 *in 2014. California ports are taking action to retain market share*  
31 *by expanding terminal capacity and investing in other trade-related*  
32 *infrastructure projects, but more needs to be done to protect*  
33 *California's vitally important international trade sector, including*  
34 *creating incentives to maintain and grow new jobs related to*  
35 *business, manufacturing, and trade in the years ahead.*

36 *(3) Providing California tax credits to exporters and importers*  
37 *through California ports and airports and increasing cargo-moving*  
38 *capacity at California's ports and airports will support President*  
39 *Obama's national export initiative.*

1 (b) *It is the intent of the Legislature to boost exports and imports*  
2 *through California ports and airports by providing tax credits for*  
3 *California exporters and importers and by providing tax credits*  
4 *for increasing cargo-moving capacity.*

5 *SEC. 2. Section 17053.58 is added to the Revenue and Taxation*  
6 *Code, to read:*

7 *17053.58. For the purposes of this section and Sections*  
8 *17053.59, 17053.60, 17053.65, 17053.66, 23660, 23665, and*  
9 *23666, the following terms have the following meanings:*

10 (a) *“Annual full-time equivalent” means either of the following:*

11 (1) *In the case of a full-time employee who was paid hourly*  
12 *qualified wages, “annual full-time equivalent” means the total*  
13 *number of hours worked for the taxpayer by the employee (not to*  
14 *exceed 2,000 hours per employee) divided by 2,000.*

15 (2) *In the case of a salaried full-time employee, “annual*  
16 *full-time equivalent” means the total number of weeks worked for*  
17 *the taxpayer by the employee divided by 52.*

18 (b) (1) *“Capital costs” means all costs and expenses incurred*  
19 *by one or more exporter or importer in connection with the*  
20 *acquisition, construction, installation, and equipping of a cargo*  
21 *facility, including any environmental mitigation undertaken*  
22 *specifically to reduce the impacts of a cargo facility, during the*  
23 *period commencing with the date on which the acquisition,*  
24 *construction, installation, and equipping commences and ending*  
25 *on the date on which the cargo facility is placed in service.*

26 (2) *Capital costs shall include, but not be limited to, the*  
27 *following:*

28 (A) *The costs of acquiring, constructing, installing, equipping,*  
29 *and financing a cargo facility, including all obligations incurred*  
30 *for labor and to contractors, subcontractors, builders, and*  
31 *materialmen.*

32 (B) *The costs of acquiring land or rights in land and any cost*  
33 *incidental thereto, including recording fees.*

34 (C) *The costs of contract bonds and of insurance of any kind*  
35 *that may be required or necessary during the acquisition,*  
36 *construction, or installation of a cargo facility.*

37 (D) *The costs of architectural and engineering services,*  
38 *including test borings, surveys, estimates, plans, specifications,*  
39 *preliminary investigations, environmental mitigation, and*  
40 *supervision of construction, as well as for the performance of all*

1 *the duties required by or consequent upon the acquisition,*  
2 *construction, and installation of a cargo facility.*

3 *(E) The costs associated with installation of fixtures and*  
4 *equipment, surveys, including archaeological and environmental*  
5 *surveys, site tests and inspections, subsurface site work, excavation,*  
6 *removal of structures, roadways, and other surface obstructions,*  
7 *filling, grading, paving, and provisions for drainage, stormwater*  
8 *retention, installation of utilities, including water, sewerage*  
9 *treatment, gas, electricity, communications, and similar facilities,*  
10 *and offsite construction of utility extensions to the boundaries of*  
11 *the property.*

12 *(F) The costs of completing any environmental mitigation.*

13 *(G) All other costs of a nature comparable to those described,*  
14 *including, but not limited to, all project costs required to be*  
15 *capitalized for federal income tax purposes pursuant to the*  
16 *provisions of Section 263(a) of Title 26 of the United States Code.*

17 *(H) Costs otherwise defined as capital costs incurred by the*  
18 *exporter or importer where the qualifying taxpayer is the lessee*  
19 *under a lease that contains a term of not less than five years and*  
20 *is characterized as a capital lease for federal income tax purposes.*

21 *(3) Capital costs shall not include property owned or leased by*  
22 *the exporter or importer or a related entity before the*  
23 *commencement of the acquisition, construction, installation, or*  
24 *equipping of the cargo facility, unless the property was physically*  
25 *located outside the state for a period of at least one year prior to*  
26 *the date on which the cargo facility was placed in service.*

27 *(4) Capital costs shall not include project costs that were*  
28 *expended prior to January 1, 2014.*

29 *(c) “Cargo facility” means a capital project at a port or airport*  
30 *in California designed to increase cargo-moving capacity at that*  
31 *port or airport and that is expended in a taxable year and has a*  
32 *useful life of five years or more.*

33 *(d) “Export cargo tonnage” means the weight of cargo exported*  
34 *through California ports by an exporter to destinations outside*  
35 *the United States.*

36 *(e) “Export cargo value” means the value of cargo exported*  
37 *through California airports by an exporter to destinations outside*  
38 *of the United States as certified by the applicant for a tax credit*  
39 *certificate.*

1 (f) “Exporter” means a California taxpayer that is the shipper  
2 of record of agricultural products or manufactured goods on an  
3 ocean bill of lading or on an air waybill.

4 (g) “Import cargo tonnage” means the weight of cargo imported  
5 by an importer through California ports by that importer from  
6 outside the United States.

7 (h) “Import cargo value” means the value of cargo imported  
8 through California airports by an importer from outside the United  
9 States as certified by the applicant for a tax credit certificate.

10 (i) “Importer” means a California taxpayer that is the consignee  
11 of record of agricultural products or manufactured goods on an  
12 ocean bill of lading or on an air waybill.

13 (j) (1) “Qualified full-time employee” means either of the  
14 following:

15 (A) A qualified employee who was paid qualified wages by the  
16 qualified employer for services of not less than an average of 35  
17 hours per week.

18 (B) A qualified employee who was a salaried employee and was  
19 paid compensation during the taxable year for full-time  
20 employment, within the meaning of Section 515 of the Labor Code,  
21 by the qualified employer.

22 (2) A “qualified employee” shall not include any of the  
23 following:

24 (A) An employee certified as a qualified employee in an  
25 enterprise zone designated in accordance with Chapter 12.8  
26 (commencing with Section 7070) of Division 7 of Title 1.

27 (B) An employee certified as a qualified disadvantaged  
28 individual in a manufacturing enhancement area designated in  
29 accordance with Section 7073.8.

30 (C) An employee certified as a qualified employee in a targeted  
31 tax area designated in accordance with Section 7097.

32 (D) An employee certified as a qualified disadvantaged  
33 individual or a qualified displaced employee in a local agency  
34 military base recovery area (LAMBRA) designated in accordance  
35 with Chapter 12.97 (commencing with Section 7105) of Division  
36 7 of Title 1.

37 (E) An employee whose wages are included in calculating any  
38 other credit allowed under Part 10 (commencing with Section  
39 17001) or Part 11 (commencing with Section 23001) of Division  
40 2.

1 (k) “Qualified wages” means wages subject to Division 6  
2 (commencing with Section 13000) of the Unemployment Insurance  
3 Code.

4 (l) “Tax credit certificate” means a certificate awarded by the  
5 Franchise Tax Board to an exporter or importer evidencing the  
6 right of the exporter or importer to claim the tax credits provided  
7 for in this section in the amount specified in the certificate.

8 This section shall remain in effect only until January 1, 2021,  
9 and as of that date is repealed.

10 SEC. 3. Section 17053.59 is added to the Revenue and Taxation  
11 Code, to read:

12 17053.59. (a) Subject to the limitations in subdivision (f), for  
13 taxable years beginning on or after January 1, 2014, and before  
14 January 1, 2019, the Franchise Tax Board may award a tax credit  
15 certificate to a person that is an exporter or importer pursuant to  
16 subdivisions (b), (c), and (d) in an aggregate amount that is not  
17 greater than two hundred fifty thousand dollars (\$250,000) for a  
18 taxable year.

19 (b) A tax credit certificate, in an amount specified in subdivision  
20 (a) of Section 17053.60 or subdivision (a) of Section 23660, may  
21 be awarded by the Franchise Tax Board to any of the following:

22 (1) Exporters that demonstrate to the satisfaction of the  
23 Franchise Tax Board that they have increased their export cargo  
24 tonnage through California ports in a taxable year beginning on  
25 or after January 1, 2014, and before January 1, 2019, by at least  
26 5 percent over their export cargo tonnage through California ports  
27 for the preceding taxable year.

28 (2) Importers that demonstrate to the satisfaction of the  
29 Franchise Tax Board that they have increased their import cargo  
30 tonnage through California ports in a taxable year beginning on  
31 or after January 1, 2014, and before January 1, 2019, by at least  
32 5 percent over their import cargo tonnage through California  
33 ports for the preceding taxable year.

34 (3) Exporters that demonstrate to the satisfaction of the  
35 Franchise Tax Board that they have increased their export cargo  
36 value through California airports in a taxable year beginning on  
37 or after January 1, 2014, and before January 1, 2019, by at least  
38 5 percent over their export cargo value through California airports  
39 for the preceding taxable year.

1 (4) Importers that demonstrate to the satisfaction of the  
2 Franchise Tax Board that they have increased their import cargo  
3 value through California airports in taxable year beginning on or  
4 after January 1, 2014, and before January 1, 2019, by at least 5  
5 percent over their import cargo value through California airports  
6 for the preceding taxable year.

7 (5) Exporters or importers that demonstrate to the satisfaction  
8 of the Franchise Tax Board that they have exported or imported  
9 export or import cargo tonnage through California ports in excess  
10 of 400,000 tons in a taxable year beginning on or after January  
11 1, 2014, and before January 1, 2019, and that they did not export  
12 or import cargo through California ports in the preceding taxable  
13 year.

14 (6) Exporters and importers that demonstrate to the satisfaction  
15 of the Franchise Tax Board that they have exported or imported  
16 cargo through California airports with export or import cargo  
17 value in excess of two hundred fifty thousand dollars (\$250,000)  
18 in a taxable year beginning on or after January 1, 2014, and before  
19 January 1, 2019, and that they did not export or import cargo  
20 through California airports in the preceding taxable year.

21 (c) (1) A tax credit certificate, in an amount specified in  
22 subdivision (a) of Section 17053.65 or subdivision (a) of Section  
23 23665, may be awarded by the Franchise Tax Board to an exporter  
24 or importer that demonstrates to the satisfaction of the Franchise  
25 Tax Board that the exporter or importer had a net increase in  
26 qualified full-time employees hired in California during the taxable  
27 year.

28 (2) The net increase in qualified full-time employees of a  
29 qualified employer shall be determined as provided by this  
30 paragraph:

31 (A) The net increase in qualified full-time employees shall be  
32 determined on an annual full-time equivalent basis by subtracting  
33 from the amount determined in clause (ii) the amount determined  
34 in clause (i).

35 (i) The total number of qualified full-time employees employed  
36 in the preceding taxable year by the taxpayer and by any trade or  
37 business acquired by the taxpayer during the current taxable year.

38 (ii) The total number of full-time employees employed in the  
39 current taxable year by the taxpayer and by any trade or business  
40 acquired during the current taxable year.

1 (B) For taxpayers that first commence doing business in this  
2 state during the taxable year, the number of full-time employees  
3 for the immediately preceding prior taxable year shall be zero.

4 (d) A tax credit certificate, in an amount specified in subdivision  
5 (a) of Section 17053.66 or subdivision (a) of Section 23666, may  
6 be awarded by the Franchise Tax Board to an exporter or importer  
7 that demonstrates to the satisfaction of the Franchise Tax Board  
8 that the exporter or importer has paid capital costs on a cargo  
9 facility in California during the taxable year.

10 (e) The Franchise Tax Board shall, consistent with the  
11 requirements and criteria of this section and Sections 17053.60,  
12 17053.65, 17053.66, 23660, 23665, and 23666, do all of the  
13 following:

14 (1) Establish a procedure for applicants to apply for the tax  
15 credit certificates, and a process to award those tax credit  
16 certificates on a first-come-first-served basis.

17 (2) Determine the information necessary to be provided by an  
18 applicant to the Franchise Tax Board in order to award the tax  
19 credit certificates.

20 (3) Develop and provide application forms for use by applicants  
21 for tax credit certificates. The application form shall provide for  
22 inclusion of the applicant's taxpayer identification number.

23 (f) The total amount of tax credit certificates authorized to be  
24 awarded pursuant to subdivisions (b), (c), and (d) in each of the  
25 five calendar years beginning with January 1, 2014, is one hundred  
26 million dollars (\$100,000,000), for a total of five hundred million  
27 dollars (\$500,000,000), and any portion of that authorization not  
28 awarded in any calendar year may be awarded in a future calendar  
29 year ending before January 1, 2019.

30 (g) (1) The Franchise Tax Board shall establish and charge  
31 applicants fees that it determines are reasonably sufficient to cover  
32 all of its costs in carrying out its responsibilities under this division.  
33 The fees shall be deposited in the Job and Trade Competitiveness  
34 Fee Account, which is hereby established in the State Treasury.  
35 Moneys in the account shall be available, upon appropriation by  
36 the Legislature, to the Franchise Tax Board for the purpose of  
37 implementing this section.

38 (2) Until the time that sufficient revenue is received by the  
39 Franchise Tax Board, the Franchise Tax Board may borrow any  
40 money as may be required for the purpose of meeting necessary

1 *expenses under this section, not to exceed the amount appropriated.*  
2 *A loan made to the Franchise Tax Board shall be repayable solely*  
3 *from moneys appropriated to the Franchise Tax Board from the*  
4 *Job and Trade Competitiveness Fee Account and shall not*  
5 *constitute a general obligation of the state for which the full faith*  
6 *and credit of the state are pledged.*

7 *(h) The Franchise Tax Board shall determine the amount of*  
8 *each tax credit pursuant to this section and Sections 17053.60,*  
9 *17053.65, 17053.66, 23660, 23665, and 23666. The tax credit*  
10 *certificate shall include the date of issuance, the amount of the tax*  
11 *credit, the name, the type of credit awarded, and taxpayer*  
12 *identification number of the exporter or importer to which the*  
13 *certificate was awarded.*

14 *(i) The Franchise Tax Board shall establish audit procedures*  
15 *of taxpayers who have been awarded a tax credit certificate to*  
16 *verify that the tax credit certificate was awarded consistent with*  
17 *the requirements of this section and Sections 17053.60, 17053.65,*  
18 *17053.66, 23660, 23665, and 23666. The Franchise Tax Board*  
19 *shall conduct audits at random as the Franchise Tax Board deems*  
20 *appropriate.*

21 *(j) In the event that the Franchise Tax Board determines that*  
22 *any amount of a tax credit certificate was not awarded consistent*  
23 *with the requirements of this section or Sections 17053.60,*  
24 *17053.65, 17053.66, 23660, 23665, and 23666, the Franchise Tax*  
25 *Board shall cancel any unapplied amount erroneously awarded*  
26 *and any previously allowed credit erroneously awarded shall be*  
27 *recaptured.*

28 *(k) The Franchise Tax Board may prescribe rules, guidelines,*  
29 *or procedures necessary or appropriate to carry out the purposes*  
30 *of this division. Chapter 3.5 (commencing with Section 11340) of*  
31 *Part 1 of Division 3 of Title 2 does not apply to any rule, guideline,*  
32 *or procedure prescribed by the Franchise Tax Board pursuant to*  
33 *this subdivision.*

34 *(l) A tax credit certificate awarded pursuant to this section shall*  
35 *not be transferable.*

36 *(m) The Franchise Tax Board shall notify the taxpayer within*  
37 *45 days of either a denial of the tax credit certificate application*  
38 *or an award of a tax credit certificate.*

39 *(n) This section shall remain in effect only until January 1, 2021,*  
40 *and as of that date is repealed.*

1     ~~SEC. 2.~~

2     *SEC. 4.* Section 17053.60 is added to the Revenue and Taxation  
3 Code, to read:

4     17053.60. (a) (1) For each taxable year beginning on or after  
5 January 1, 2014, and before January 1, 2019, and subject to  
6 subdivision (c), there shall be allowed as a credit against the “net  
7 tax,” as defined in Section 17039, the amount specified in  
8 paragraph (2), to an exporter or importer that has been awarded a  
9 tax credit certificate pursuant to the Job and Trade Competitiveness  
10 Act (Division 4 (commencing with Section 64140) of Title 6.7 of  
11 the Government Code).

12     (2) (A) If an exporter or importer exported or imported during  
13 the preceding taxable year, the credit amount will be determined  
14 as follows:

15     (i) The amount of credit allowed for an exporter or importer  
16 that increases exports or imports through ports in California shall  
17 be three dollars and twelve and one-half cents (\$3.125) per ton of  
18 increased exports and imports for the taxable year through ports  
19 in California by the exporter or importer.

20     (ii) The amount of credit allowed for an exporter or importer  
21 that increases exports or imports through airports in California  
22 shall be one thousand dollars (\$1,000) for each ten thousand dollars  
23 (\$10,000) of increased exports and imports for the taxable year  
24 through airports in California by the exporter or importer.

25     (B) If an exporter or importer did not export or import during  
26 the preceding taxable year, the credit amount shall be determined  
27 as follows:

28     (i) The amount of credit allowed for an exporter or importer  
29 that exports or imports 400,000 or more tons through ports in  
30 California in a taxable year shall be three dollars and twelve and  
31 one-half cents (\$3.125) per ton of exports and imports for the  
32 taxable year through ports in California by the exporter or importer.

33     (ii) The amount of credit allowed for an exporter or importer  
34 that exports or imports two hundred fifty thousand dollars  
35 (\$250,000) or more through airports in California shall be one  
36 thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)  
37 of exports and imports for the taxable year through airports in  
38 California by the exporter or importer.

39     (b) For purposes of this section:

- 1     ~~(1) “Authority” means the California Transportation Financing~~  
2 ~~Authority established in Section 64101 of the Government Code.~~  
3     ~~(2)~~  
4     ~~(1) “Exporter” has the same meaning as provided in subdivision~~  
5 ~~(g) (f) of Section 64141 of the Government Code 17053.58.~~  
6     ~~(3)~~  
7     ~~(2) “Importer” has the same meaning as provided in subdivision~~  
8 ~~(j) (i) of Section 64141 of the Government Code 17053.58.~~  
9     ~~(4)~~  
10    ~~(3) “Increased exports or imports” means the difference between~~  
11 ~~the amount of exports and imports, whether measured by tons or~~  
12 ~~dollars, in the current taxable year and the preceding taxable year~~  
13 ~~if the current taxable year has a greater amount of exports or~~  
14 ~~imports.~~  
15    ~~(5)~~  
16    ~~(4) “Tax credit certificate” has the same meaning as provided~~  
17 ~~in subdivision (m) (l) of Section 64141 of the Government Code~~  
18 ~~17053.58.~~  
19    (c) The aggregate amount of credit allowed to a taxpayer under  
20 this section and Sections 17053.65 and 17053.66 shall be no more  
21 than two hundred fifty thousand dollars (\$250,000) for a taxable  
22 year and shall be limited to the amount specified in the tax credit  
23 certificate issued to the taxpayer pursuant to the Job and Trade  
24 Competitiveness Act (Division 4 (commencing with Section 64140)  
25 of Title 6.7 of the Government Code).  
26    (d) In the event that ~~the authority notifies the Franchise Tax~~  
27 ~~Board~~ of any amounts of a tax credit certificate that were  
28 erroneously awarded and were canceled pursuant to subdivision  
29 (j) of Section ~~64142 of the Government Code 17053.59~~, those  
30 amounts shall not be allowed as a credit, and any previously  
31 allowed credit shall be recaptured. The taxpayer shall be liable for  
32 any increase in tax attributable to the recapture of any credit  
33 previously allowed under this section.  
34    (e) In the case where the credit allowed by this section exceeds  
35 the “net tax,” the excess may be carried over to reduce the “net  
36 tax” in the following year, and succeeding nine years, if necessary,  
37 until the credit is exhausted.  
38    (f) This section shall remain in effect only until December 1,  
39 2019, and as of that date is repealed.

1 ~~SEC. 3.~~

2 *SEC. 5.* Section 17053.65 is added to the Revenue and Taxation  
3 Code, to read:

4 17053.65. (a) For each taxable year beginning on or after  
5 January 1, 2014, and before January 1, 2019, and subject to  
6 subdivision (c), there shall be allowed as a credit against the “net  
7 tax,” as defined in Section 17039, to an exporter or importer that  
8 has been awarded a tax credit certificate pursuant to the Job and  
9 Trade Competitiveness Act (Division 4 (commencing with Section  
10 64140) of Title 6.7 of the Government Code), in an amount equal  
11 to three thousand dollars (\$3,000) for each net increase in qualified  
12 full-time employees hired in California during the taxable year by  
13 an exporter or importer, in a taxable year.

14 (b) For purposes of this section:

15 ~~(1) “Authority” means the California Transportation Financing~~  
16 ~~Authority established in Section 64101 of the Government Code.~~

17 ~~(2)~~

18 (1) “Exporter” has the same meaning as provided in subdivision  
19 ~~(g) (f) of Section 64141 of the Government Code 17053.58.~~

20 ~~(3)~~

21 (2) “Importer” has the same meaning as provided in subdivision  
22 ~~(j) (i) of Section 64141 of the Government Code 17053.58.~~

23 ~~(4)~~

24 (3) “Qualified full-time employee” has the same meaning as  
25 provided in subdivision ~~(k) (j) of Section 64141 of the Government~~  
26 ~~Code 17053.58.~~

27 ~~(5)~~

28 (4) “Tax credit certificate” has the same meaning as provided  
29 in subdivision ~~(m) (l) of Section 64141 of the Government Code~~  
30 ~~17053.58.~~

31 (c) The aggregate amount of the credit allowed to a taxpayer  
32 under this section and Sections 17053.60 and 17053.66 shall be  
33 no more than two hundred fifty thousand dollars (\$250,000) for a  
34 taxable year and shall be limited to the amount specified in the tax  
35 credit certificate issued to the taxpayer pursuant to the Job and  
36 Trade Competitiveness Act (Division 4 (commencing with Section  
37 64140) of Title 6.7 of the Government Code).

38 (d) In the event that ~~the authority notifies the Franchise Tax~~  
39 ~~Board~~ of any amounts of a tax credit certificate that were  
40 erroneously awarded and were canceled pursuant to subdivision

1 (j) of Section ~~64142~~ of the Government Code 17053.59, those  
2 amounts shall not be allowed as a credit, and any previously  
3 allowed credit shall be recaptured. The taxpayer shall be liable for  
4 any increase in tax attributable to the recapture of any credit  
5 previously allowed under this section.

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

10 (f) This section shall remain in effect only until December 1,  
11 2019, and as of that date is repealed.

12 ~~SEC. 4.~~

13 *SEC. 6.* Section 17053.66 is added to the Revenue and Taxation  
14 Code, to read:

15 17053.66. (a) For each taxable year beginning on or after  
16 January 1, 2014, and before January 1, 2019, and subject to  
17 subdivision (c), there shall be allowed as a credit against the “net  
18 tax,” as defined in Section 17039, to an exporter or importer that  
19 has been awarded a tax credit certificate pursuant to the Job and  
20 Trade Competitiveness Act (Division 4 (commencing with Section  
21 64140) of Title 6.7 of the Government Code), in an amount of up  
22 to, but not to exceed, 2 percent of the total capital costs for a cargo  
23 facility constructed in California by an exporter or importer during  
24 a taxable year.

25 (b) For purposes of this section:

26 (1) ~~“Authority” means the California Transportation Financing~~  
27 ~~Authority established in Section 64101 of the Government Code.~~

28 (2)

29 (1) “Capital costs” has the same meaning as provided in  
30 subdivision ~~(e) (b)~~ of Section ~~64141~~ the Government Code  
31 17053.58.

32 (3)

33 (2) “Cargo facility” has the same meaning as provided in  
34 subdivision ~~(d) (c)~~ of Section ~~64141~~ of the Government Code  
35 17053.58.

36 (4)

37 (3) “Exporter” has the same meaning as provided in subdivision  
38 ~~(g) (f)~~ of Section ~~64141~~ of the Government Code 17053.58.

39 (5)

1 (4) “Importer” has the same meaning as provided in subdivision  
2 ~~(j)~~ (i) of Section ~~64141~~ of the Government Code 17053.58.

3 ~~(6)~~

4 (5) “Tax credit certificate” has the same meaning as provided  
5 in subdivision ~~(m)~~ (l) of Section ~~64141~~ of the Government Code  
6 17053.58.

7 (c) The aggregate amount of the credit allowed to a taxpayer  
8 under this section and Sections 17053.60 and 17053.65 shall be  
9 no more than two hundred fifty thousand dollars (\$250,000) for a  
10 taxable year and shall be limited to the amount specified in the tax  
11 credit certificate issued to the taxpayer pursuant to the Job and  
12 Trade Competitiveness Act (Division 4 (commencing with Section  
13 64140) of Title 6.7 of the Government Code).

14 (d) In the event that ~~the authority notifies the Franchise Tax~~  
15 ~~Board~~ of any amounts of a tax credit certificate that were  
16 erroneously awarded and were canceled pursuant to subdivision  
17 (j) of Section ~~64142~~ of the Government Code 17053.59, those  
18 amounts shall not be allowed as a credit, and any previously  
19 allowed credit shall be recaptured. The taxpayer shall be liable for  
20 any increase in tax attributable to the recapture of any credit  
21 previously allowed under this section.

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

26 (f) This section shall remain in effect only until December 1,  
27 2019, and as of that date is repealed.

28 ~~SEC. 5.~~

29 *SEC. 7.* Section 23660 is added to the Revenue and Taxation  
30 Code, to read:

31 23660. (a) (1) For each taxable year beginning on or after  
32 January 1, 2014, and before January 1, 2019, and subject to  
33 subdivision (c), there shall be allowed as a credit against the “tax,”  
34 as defined in Section 23036, an amount specified in paragraph (2),  
35 to an exporter or importer that has been awarded a tax credit  
36 certificate pursuant to the Job and Trade Competitiveness Act  
37 (Division 4 (commencing with Section 64140) of Title 6.7 of the  
38 Government Code).

1 (2) (A) If an exporter or importer exported or imported during  
2 the preceding taxable year, the credit amount will be determined  
3 as follows:

4 (i) The amount of credit allowed for an exporter or importer  
5 that increases exports or imports through ports in California shall  
6 be three dollars and twelve and one-half cents (\$3.125) per ton of  
7 increased exports and imports for the taxable year through ports  
8 in California by the exporter or importer.

9 (ii) The amount of credit allowed for an exporter or importer  
10 that increases exports or imports through airports in California  
11 shall be one thousand dollars (\$1,000) for each ten thousand dollars  
12 (\$10,000) of increased exports and imports for the taxable year  
13 through airports in California by the exporter or importer.

14 (B) If an exporter or importer did not export or import during  
15 the preceding taxable year, the credit amount shall be determined  
16 as follows:

17 (i) The amount of credit allowed for an exporter or importer  
18 that exports or imports 400,000 or more tons through ports in  
19 California in a taxable year shall be three dollars and twelve and  
20 one-half cents (\$3.125) per ton of exports and imports for the  
21 taxable year through ports in California by the exporter or importer.

22 (ii) The amount of credit allowed for an exporter or importer  
23 that exports or imports two hundred fifty thousand dollars  
24 (\$250,000) or more through airports in California shall be one  
25 thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)  
26 of exports and imports for the taxable year through airports in  
27 California by the exporter or importer.

28 (b) For purposes of this section:

29 ~~(1) “Authority” means the California Transportation Financing~~  
30 ~~Authority established in Section 64101 of the Government Code.~~

31 ~~(2)~~

32 ~~(1) “Exporter” has the same meaning as provided in subdivision~~  
33 ~~(g) (f) of Section 64141 of the Government Code 17053.58.~~

34 ~~(3)~~

35 ~~(2) “Importer” has the same meaning as provided in subdivision~~  
36 ~~(j) (i) of Section 64141 of the Government Code 17053.58.~~

37 ~~(4)~~

38 (3) “Increased exports or imports” means the difference between  
39 the amount of exports and imports, whether measured by tons or  
40 dollars, in the current taxable year and the preceding taxable year

1 if the current taxable year has a greater amount of exports or  
2 imports.

3 ~~(5)~~

4 (4) “Tax credit certificate” has the same meaning as provided  
5 in subdivision ~~(m)~~ (l) of Section ~~64141~~ of the Government Code  
6 17053.58.

7 (c) The aggregate amount of credit allowed to a taxpayer under  
8 this section and Sections 23665 and 23666 shall be no more than  
9 two hundred fifty thousand dollars (\$250,000) for a taxable year  
10 and shall be limited to the amount specified in the tax credit  
11 certificate issued to the taxpayer pursuant to the Job and Trade  
12 Competitiveness Act (Division 4 (commencing with Section 64140)  
13 of Title 6.7 of the Government Code).

14 (d) In the event that ~~the authority notifies the Franchise Tax~~  
15 ~~Board~~ of any amounts of a tax credit certificate that were  
16 erroneously awarded and were canceled pursuant to subdivision  
17 (j) of Section ~~64142~~ of the Government Code 17053.59, those  
18 amounts shall not be allowed as a credit, and any previously  
19 allowed credit shall be recaptured. The taxpayer shall be liable for  
20 any increase in tax attributable to the recapture of any credit  
21 previously allowed under this section.

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

26 (f) This section shall remain in effect only until December 1,  
27 2019, and as of that date is repealed.

28 ~~SEC. 6.~~

29 *SEC. 8.* Section 23665 is added to the Revenue and Taxation  
30 Code, to read:

31 23665. (a) For each taxable year beginning on or after January  
32 1, 2014, and before January 1, 2019, and subject to subdivision  
33 (c), there shall be allowed as a credit against the “tax,” as defined  
34 in Section 23036, to an exporter or importer that has been awarded  
35 a tax credit certificate pursuant to the Job and Trade  
36 Competitiveness Act (Division 4 (commencing with Section 64140)  
37 of Title 6.7 of the Government Code), in an amount equal to three  
38 thousand dollars (\$3,000) for each net increase in qualified  
39 full-time employees hired in California during the taxable year by  
40 an exporter or importer, in a taxable year.

1 (b) For purposes of this section:

2 (1) ~~“Authority” means the California Transportation Financing~~  
3 ~~Authority established in Section 64101 of the Government Code.~~

4 ~~(2)~~

5 (1) “Exporter” has the same meaning as provided in subdivision  
6 ~~(g) (f) of Section 64141 of the Government Code 17053.58.~~

7 ~~(3)~~

8 (2) “Importer” has the same meaning as provided in subdivision  
9 ~~(j) (i) of Section 64141 of the Government Code 17053.58.~~

10 ~~(4)~~

11 (3) “Qualified full-time employee” has the same meaning as  
12 provided in subdivision ~~(k) (j) of Section 64141 of the Government~~  
13 ~~Code 17053.58.~~

14 ~~(5)~~

15 (4) “Tax credit certificate” has the same meaning as provided  
16 in subdivision ~~(m) (l) of Section 64141 of the Government Code~~  
17 ~~17053.58.~~

18 (c) The aggregate amount of the credit allowed to a taxpayer  
19 under this section and Sections 23660 and 23666 shall be no more  
20 than two hundred fifty thousand dollars (\$250,000) for a taxable  
21 year and shall be limited to the amount specified in the tax credit  
22 certificate issued to the taxpayer pursuant to the Job and Trade  
23 Competitiveness Act (Division 4 (commencing with Section 64140)  
24 of Title 6.7 of the Government Code).

25 (d) In the event that ~~the authority notifies the Franchise Tax~~  
26 ~~Board~~ of any amounts of a tax credit certificate that were  
27 erroneously awarded and were canceled pursuant to subdivision  
28 ~~(j) of Section 64142 of the Government Code 17053.59~~, those  
29 amounts shall not be allowed as a credit, and any previously  
30 allowed credit shall be recaptured. The taxpayer shall be liable for  
31 any increase in tax attributable to the recapture of any credit  
32 previously allowed under this section.

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

37 (f) This section shall remain in effect only until December 1,  
38 2019, and as of that date is repealed.

1 ~~SEC. 7.~~

2 *SEC. 9.* Section 23666 is added to the Revenue and Taxation  
3 Code, to read:

4 23666. (a) For each taxable year beginning on or after January  
5 1, 2014, and before January 1, 2019, and subject to subdivision  
6 (c), there shall be allowed as a credit against the “tax,” as defined  
7 in Section 23036, to an exporter or importer that has been awarded  
8 a tax credit certificate pursuant to the Job and Trade  
9 Competitiveness Act (Division 4 (commencing with Section 64140)  
10 of Title 6.7 of the Government Code), in an amount of up to, but  
11 not to exceed, 2 percent of the total capital costs for a cargo facility  
12 constructed in California by an exporter or importer during a  
13 taxable year.

14 (b) For purposes of this section:

15 ~~(1) “Authority” means the California Transportation Financing~~  
16 ~~Authority established in Section 64101 of the Government Code.~~

17 ~~(2)~~

18 ~~(1) “Capital costs” has the same meaning as provided in~~  
19 ~~subdivision (e) (b) of Section 64141 of the Government Code~~  
20 ~~17053.58.~~

21 ~~(3)~~

22 ~~(2) “Cargo facility” has the same meaning as provided in~~  
23 ~~subdivision (d) (c) of the Government Code Section 17053.58.~~

24 ~~(4)~~

25 ~~(3) “Exporter” has the same meaning as provided in subdivision~~  
26 ~~(g) (f) of Section 64141 of the Government Code 17053.58.~~

27 ~~(5)~~

28 ~~(4) “Importer” has the same meaning as provided in subdivision~~  
29 ~~(j) (i) of Section 64141 of the Government Code 17053.58.~~

30 ~~(6)~~

31 ~~(5) “Tax credit certificate” has the same meaning as provided~~  
32 ~~in subdivision (m) (l) of Section 64141 of the Government Code~~  
33 ~~17053.58.~~

34 (c) The aggregate amount of the credit allowed to a taxpayer  
35 under this section and Sections 23660 and 23665 shall be no more  
36 than two hundred fifty thousand dollars (\$250,000) for a taxable  
37 year and shall be limited to the amount specified in the tax credit  
38 certificate issued to the taxpayer pursuant to the Job and Trade  
39 Competitiveness Act (Division 4 (commencing with Section 64140)  
40 of Title 6.7 of the Government Code).

1 (d) In the event that ~~the authority notifies the Franchise Tax~~  
2 ~~Board~~ of any amounts of a tax credit certificate that were  
3 erroneously awarded and were canceled pursuant to subdivision  
4 (j) of Section ~~64142 of the Government Code 17053.59~~, those  
5 amounts shall not be allowed as a credit, and any previously  
6 allowed credit shall be recaptured. The taxpayer shall be liable for  
7 any increase in tax attributable to the recapture of any credit  
8 previously allowed under this section.

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

13 (f) This section shall remain in effect only until December 1,  
14 2019, and as of that date is repealed.

15 ~~SEC. 8.~~

16 *SEC. 10.* This act provides for a tax levy within the meaning  
17 of Article IV of the Constitution and shall go into immediate effect.