

Assembly Appropriations Committee
REV & TAX

BILL	AUTHOR	SUBJECT/FISCAL EFFECT	
AB 9	Garcia C.	<p>Subject: Sales tax exemption for tampons, sanitary napkins, menstrual sponges, and menstrual cups.</p> <p>Establishes a sales and use tax (SUT) exemption for tampons, sanitary napkins, menstrual sponges, and menstrual cups.</p> <p>Fiscal:</p> <p>Annual General Fund (GF) revenue loss of approximately \$10.5 million.</p>	
AB 43	Thurmond	<p>Subject: Tax on contracting with state prisons.</p> <p>Imposes a 10% tax on the privilege of contracting with a state prison to provide a state prison with goods or services, and establishes the State Incarceration Prevention Fund (SIPF) for preschool and afterschool programs for purposes of providing services to prevent incarceration.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Increased revenue in the range of \$150 million (SIPF) per year as a result of a 10% tax on contacts with a total value of approximately \$1.5 billion. 2) Significant one-time costs in excess of \$200,000 and ongoing costs in excess of \$1.1 million for the administration and enforcement of the proposed tax program. 3) Unknown impact on contract prices for California Department of Corrections and Rehabilitation (CDCR) and the Department of General Services (DGS). While the bill prohibits contractors from passing the tax on to customers, it is unclear how this will be enforced. It can be assumed that there would be some impact on the prices faced by DGS and CDCR, though the extent of those price increases is unknown. 	

AB 53	Steinorth	<p>Subject: Homeowner savings account.</p> <p>Creates a homeownership savings account (HSA) and allows a deduction for contributions made by qualified individuals to the HSA. Allows the deduction only if a budget measure specifically appropriates moneys to the Franchise Tax Board (FTB) to administer the HSA deduction.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Moderate General Fund (GF) cost pressures in excess of \$150,000 for FTB’s development and administration of the proposed HSA program. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as required. 2) Additional GF cost pressures in the tens of millions of dollars in 2017-18 and 2018-19 if HSAs become available to eligible taxpayers. These cost pressures reflect the potential GF revenue loss if the proposed HSA deduction becomes operative once FTB receives an appropriation to administer it. 	
AB 54	Steinorth	<p>Subject: Tax deduction for home security alarm and surveillance systems.</p> <p>Allows a Personal Income Tax (PIT) deduction for the purchase and installation of a security fence, security alarm system, or security surveillance system at a qualified residence. States that the deduction will become operative on the effective date of any budget measure that appropriates funds to the Franchise Tax Board (FTB) for administration of the deduction.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Minor General Fund (GF) cost pressures for FTB’s administration of the proposed deduction. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as required. 2) Additional GF cost pressures in the range of \$200,000 each year beginning in 2017-18. These cost pressures reflect the potential GF revenue loss if the proposed deduction becomes operative once FTB receives an appropriation to administer it. 	

AB 71	Chiu	<p>Subject: Low-Income Housing Tax Credit and mortgage interest deduction.</p> <p>Modifies and expands the state Low-Income Housing Tax Credit (LIHTC) program, increases the set aside for farmworker housing tax credits, and eliminates the mortgage interest deduction on second homes. In summary, this bill:</p> <ol style="list-style-type: none"> 1) Beginning in 2018 and each calendar year thereafter, increases the amount of state LIHTC by an additional \$300 million, as adjusted for inflation beginning in 2019. The additional \$300 million is not available to a new qualified low-income housing building that receives a federal 9% credit. 2) Beginning in 2018, increases the amount of LIHTCs set aside for farmworker housing from \$500,000 to \$25 million. Amounts that are unallocated or returned shall be added to the total aggregate amount that may be allocated by the Tax Credit Allocation Committee (TCAC). 3) Eliminates the state deduction for mortgage interest paid on qualified second homes. 4) Modifies the allocation of state LIHTC that may be awarded to a project that has received an award of 4% federal LIHTC based on whether a project is new construction or the acquisition of an existing low-income housing building, and whether a project is located in specified areas. <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Annual General Fund (GF) revenue losses starting in 2019-20 when allocated credits are used as buildings are put into service. GF revenue losses are estimated to be \$19 million in 2019-20 and then gradually increase to \$170 million by 2023-24. 2) Annual GF revenue gains of \$360 million in 2017-18, \$240 million in 2018-19, and \$260 million in 2019-20 as a result of the elimination of the mortgage interest deduction for second homes. 	
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AB 162	Cervantes	<p>Subject: Small business definition for the California Competes Tax Credit.</p> <p>Modifies the definition of a small business under the California Competes Tax Credit (CCTC) to mean any business with 50 or fewer full-time equivalent employees, on average, in the current and two preceding tax years.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) No additional revenue loss from the CCTC. This bill does not increase the total amount of dollars allocated for the program overall. 2) One-time administrative costs to the Governor’s Office of Business and Economic Development (Go-Biz) in excess of \$200,000 to modify applications, change the existing review processes and checklist, and conduct outreach to affected taxpayers. 	
AB 181	Lackey	<p>Subject: Expansion of Renter’s Credit.</p> <p>Increases the Renter’s Credit under the Personal Income Tax (PIT) Law from \$120 to \$240 for couples filing joint returns, heads of household, and surviving spouses, and from \$60 to \$120 for other individuals. This Renter’s Credit expansion is contingent upon an appropriation to the Franchise Tax Board (FTB) to administer the provisions of this bill.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Additional General Fund (GF) cost pressures in the range of \$210 to \$230 million each year beginning in 2017-18. These cost pressures reflect the potential GF revenue loss if the proposed deduction becomes operative once FTB receives an appropriation to administer it. 2) Minor GF cost pressures for FTB’s administration of the proposed deduction. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as required. 	

AB 198	Patterson	<p>Subject: Income tax deduction for home-buying expenses.</p> <p>Allows a Personal Income Tax (PIT) deduction for the amount a qualified first-time homeowner spends on certain home-buying expenses.</p> <p>Fiscal:</p> <p>General Fund (GF) revenue loss of \$220 million in 2017-18, \$140 million in 2018-19, and \$140 million in 2019-20.</p>	
AB 225	Caballero	<p>Subject: Expansion of the California Earned Income Tax Credit.</p> <p>Increases the earned income thresholds at which the California Earned Income Tax Credit (CalEITC) begins to phase out.</p> <p>Fiscal:</p> <p>General Fund (GF) revenue loss of \$400 million in 2017-18, \$440 million 2018-19, and \$500 million in 2019-20.</p>	
AB 230	Chavez	<p>Subject: Expansion of the Child and Dependent Care Expenses Tax Credit.</p> <p>Expands the Child and Dependent Care Expenses Tax Credit for taxable years beginning on or after January 1, 2017, and before January 1, 2020. The expanded credit becomes operative on the effective date of any budget measure that appropriates funds to the Franchise Tax Board (FTB) for its administration.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Minor General Fund (GF) cost pressures for FTB's administration of the proposed tax credit expansion. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as required. 2) Additional GF cost pressures in the range of \$2.5 million each year beginning in 2017-18. These cost pressures reflect the potential GF revenue loss if the proposed tax credit expansion becomes operative once FTB receives an appropriation to administer it. 	

AB 292	Steinorth	<p>Subject: Income tax deduction for pet adoption costs.</p> <p>Allows a Personal Income Tax (PIT) deduction for qualified costs paid or incurred adopting a pet from a qualified animal rescue organization. The deduction becomes operative on the effective date of any budget measure that appropriates funds to the Franchise Tax Board (FTB) for administration of the deduction.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Minor General Fund (GF) cost pressures for FTB’s administration of the proposed deduction. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as specified by a recent policy committee amendment. 2) Additional GF cost pressures in the range of \$150,000 beginning in 2018-19. These cost pressures reflect the potential GF revenue loss if the proposed deduction becomes operative once FTB receives an appropriation to administer it. 	
AB 361	Cervantes	<p>Subject: Income tax and corporation tax credit for apprenticeship hiring.</p> <p>Allows a Personal Income Tax (PIT) and Corporation Tax (CT) credit equal to \$1,000 for each registered apprentice, as defined, who is employed and trained by the taxpayer and who worked seven months or more during the taxable year.</p> <p>Fiscal:</p> <p>Annual General Fund (GF) revenue loss of approximately \$2.8 million in 2017-18, \$2.8 million in 2018-19, and \$2.7 million in 2019-20</p>	

AB 433	Bocanegra	<p>Subject: Refunds of improper sales and use tax payments.</p> <p>Authorizes a retailer to make an irrevocable election to assign the right to file a claim for refund of excess sales tax reimbursement in the amount of \$50,000 or greater to a single customer so that the Board of Equalization (BOE) may make a direct refund to the customer. This bill also allows a customer to seek a refund directly from the BOE, if, after 60 days, the retailer denies an election, or the retailer is no longer in business, or the customer cannot locate the retailer.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Significant one-time administrative costs of approximately \$400,000 in 2017-18 to develop the new refund program, and ongoing annual administrative costs of approximately \$500,000 thereafter to track and issue refunds. 2) To the extent that this new program generates refund opportunities for taxpayers that otherwise wouldn't exist, there will a loss in sales tax revenue. For example, AB 433 will allow a taxpayer to more easily receive a tax refund even after a retailer goes out of business. The specific revenue impact is unknown. 	
AB 449	Calderon	<p>Subject: Imposition of the Franchise Tax Board's "Demand Penalty."</p> <p>Modifies the Franchise Tax Board's (FTB's) "demand penalty." Specifically, this bill:</p> <ol style="list-style-type: none"> 1) Reduces the demand penalty, beginning on January 1, 2018, that FTB may impose from 25% to 15%, and shifts imposition of the penalty from the amount of total tax due to the amount of unpaid tax, if certain conditions apply. 2) Requires the FTB to abate the penalty if, at the time that a taxpayer requests an abatement, the taxpayer has not been subject to the penalty in the preceding four years, has paid full the tax that is due, and has filed the information or return. <p>Fiscal:</p> <p>Annual penalty revenue loss of \$8.3 million beginning in 2019-20.</p>	

AB 461	Muratsuchi	<p>Subject: Income exclusion for certain forgiven student loan debt.</p> <p>Excludes, beginning on or after January 1, 2017, and before January 1, 2022, student loan amounts repaid by the United States Secretary of Education, or canceled pursuant to Education Code (EC) Section 1087(e), from gross income.</p> <p>Fiscal:</p> <p>Modest ongoing General Fund cost pressures in excess of \$150,000 by 2032-33 that reflect potential revenue loss associated with student loan debt forgiveness.</p>	
AB 490	Quirk-Silva	<p>Subject: Extension of the College Access Tax Credit program.</p> <p>Extends the sunset date for the College Access Tax Credit (CATC) from January 1, 2018, to January 1, 2023.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Revenue loss of \$1.6 million in 2017-18, \$3.5 million in 2018-19, and \$4.5 million in 2019-20 as a result of CATC allocated under the Personal Income Tax (PIT) Law and the Corporate Tax (CT) Law. 2) Unknown additional revenue loss as a result of the CATC allocated under the Insurance Tax (IT) Law. 	

AB 525	Aguiar-Curry	<p>Subject: Extension of BOE’s “Offer in Compromise” program.</p> <p>Extends sunset date for the Board of Equalization’s (BOE’s) offer in compromise (OIC) program from January 1, 2018 to January 1, 2023.</p> <p>Fiscal:</p> <p>Annual revenue gain of approximately \$477,500 (General Fund and assorted Special Funds) from a variety of BOE-run tax programs. These revenue estimates are based on the amount of tax revenue collected through the program thus far and an assumption that these tax liabilities would have never been collected without the OIC program.</p>	
AB 528	Gray	<p>Subject: Exclusion of military retirement pay from gross income.</p> <p>Excludes from gross income, for taxable years beginning on or after January 1, 2018, and before January 1, 2023, retirement pay from the federal government for military service. The exclusion is limited to those military veterans whose gross income, excluding military retirement pay, is \$50,000 or less.</p> <p>Fiscal:</p> <p>Annual General Fund (GF) revenue loss of \$2.2 million in 2017-18, \$3.8 million in 2018-19, and \$3.8 million in 2018-19.</p>	

AB 561	Voepel	<p>Subject: Sales and use tax exclusion for public safety first responder vehicles and equipment.</p> <p>Provides a partial sales and use tax (SUT) exclusion for the sale of public safety first responder vehicles and any required equipment on those vehicles, in excess of \$800,000, purchased by a local public agency, and requires the local public agency to deposit the savings from the partial SUT exclusion into its retirement fund.</p> <p>Fiscal:</p> <p>A reduction in General Fund (GF) revenue by an estimated \$780,000 in 2017-18, and \$1.7 million each year thereafter, and a corresponding increase in contributions to local retirement funds.</p>	
AB 571	Garcia E.	<p>Subject: Farmworker Housing Assistance tax credit program.</p> <p>Modifies the Farmworker Housing Assistance (FHA) tax credit program. Specifically, this bill:</p> <ol style="list-style-type: none"> 1) Redefines “farmworker housing” as housing in which at least 50% of the units are available to farmworkers, instead of 100%. 2) Authorizes the California Tax Credit Allocation Committee (TCAC) to award a state Low Income Housing Tax Credit (LIHTC) to farmworker projects located in a qualified census tract or a designated development area if the project has received a federal 4% LIHTC. 3) Revises the state applicable state LIHTC percentage relating to farmworker housing to provide that a farmworker housing building, which is federally subsidized, is eligible for the state LIHT credit equal to 75% of the qualified basis of the building over four years. <p>Fiscal:</p> <p>Unknown impact on General Fund (GF) revenues. This impact depends on the extent to which AB 571 accelerates the use of state credits that are available. As of 2016, there was approximately \$5 million in unused farmworker housing credits available.</p>	

AB 586	Holden	<p>Subject: Income tax deduction for teachers’ professional development expenses.</p> <p>Allows a Personal Income Tax (PIT) deduction for teacher development expenses. Specifically, this bill:</p> <ol style="list-style-type: none"> 1) Allows a PIT deduction equal to the amount paid or incurred by a qualified teacher, not to exceed \$2,500, for the enrollment fees associated with certain second tier credential programs, as defined 2) Allows the deduction for taxable years 2018 through 2022. <p>Fiscal:</p> <p>Annual General Fund (GF) revenue loss of \$100,000 in 2017-18, \$200,000 in 2018-19, and \$200,000 in 2019-20.</p>	
AB 600	Cooper	<p>Subject: Expansion of the manufacturer’s partial sales tax exemption.</p> <p>Modifies the manufacturer’s partial sales tax exemption (Exemption) by expanding eligibility to certain agricultural businesses as well as to those engaged in electric power generation or distribution. The bill also modifies the definition of “useful life” for the purposes of determining eligible property purchases subject to the Exemption, and extends the sunset of the Exemption from July 1, 2022 to July 1, 2027.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Annual General Fund (GF) revenue loss of approximately \$88.5 million as a result of expanded eligibility for the Exemption related to electric power generation and agricultural businesses. 2) Unknown impact on GF revenue loss due to the expanded definition of “useful life” for the purposes of determining eligible tangible personal property purchases. 3) Unknown and possibly significant administrative costs for the Board of Equalization (BOE) to implement the provisions of this bill. 	

AB 624	Maienschein	<p>Subject: Income tax credit for donation to robotics clubs.</p> <p>Allows a Personal Income Tax (PIT) and Corporation Tax (CT) credit, for taxable years 2017 through 2023, equal to 50% of amounts donated to robotics clubs at California schools. The credit cannot exceed \$10,000 per taxpayer and the total amount of credits provided each year cannot exceed \$1 million. This bill requires the Franchise Tax Board (FTB) to allocate credits on a first-come, first serve basis.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Significant administrative General Fund (GF) costs in excess of \$150,000 annually for the Franchise Tax Board (FTB) to implement and run the capped credit program, as required by this bill. 2) Annual GF revenue loss of up to \$1 million annually. 	
AB 647	Reyes	<p>Subject: Income tax credit for full-time community college students.</p> <p>Provides a refundable Personal Income Tax (PIT) credit for community college expenses. This credit is contingent upon an appropriation to the Franchise Tax Board (FTB) to implement this policy.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Significant General Fund (GF) cost pressures in excess of \$150,000 for FTB's administration of the proposed credits. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as required. 2) Additional GF cost pressures of \$550 million in 2017-18, \$550 million in 2018-19, and \$270 million in 2019-20. These cost pressures reflect the potential GF revenue loss if the proposed deduction becomes operative once FTB receives an appropriation to administer it. 	

AB 731	Chen	<p>Subject: Income tax deduction for homeowners' association assessments.</p> <p>Allows a Personal Income Tax (PIT) deduction for the amount a qualified taxpayer spends on homeowners' association (HOA) assessments.</p> <p>Fiscal:</p> <p>General Fund (GF) revenue loss of \$190 million in 2017-18, \$200 million in 2018-19, and \$200 million in 2019-20.</p>	
AB 806	Kalra	<p>Subject: Income tax credit for family caregiver expenses.</p> <p>Allows a Personal Income Tax (PIT) credit equal to 50% of the amount spent by a family caregiver on eligible expenses, not to exceed \$1,000. This credit is limited to taxpayers with an eligible family member with long-term care needs and taxpayers with adjusted gross income (AGI) of less than \$75,000 for an individual and \$150,000 for a joint return. No more than \$50 million in credits can be provided each taxable year, and the availability of the credit is contingent upon a budget appropriation to the Franchise Tax Board (FTB) to administer it.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Significant administrative General Fund (GF) cost pressures in excess of \$150,000 for the Franchise Tax Board (FTB) to implement and run the capped credit program, as required by this bill. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as required. 2) Additional GF cost pressures of \$8.5 million in 2017-18, \$13.0 million in 2018-19, and \$12 million in 2019-20. These cost pressures reflect the potential GF revenue loss if the proposed credit becomes operative once FTB receives an appropriation to administer it. 	

AB 831	Patterson	<p>Subject: Income tax and corporate tax credit for microbusinesses.</p> <p>Provides a Personal Income Tax (PIT) and Corporation Tax (CT) credit worth \$1,200 to eligible microbusinesses. This credit is available for taxable years beginning on or after January 1, 2017.</p> <p>Fiscal:</p> <p>Annual General Fund (GF) revenue loss of \$2.3 billion in 2017-18, \$1.9 billion in 2018-19, and \$2.1 billion in 2019-20.</p>	
AB 832	Aguiar-Curry	<p>Subject: Income and corporate tax credit for winter-flooded rice.</p> <p>Allows a Personal Income Tax (PIT) and Corporation Tax (CT) credit, for taxable years 2018 through 2021, equal to 40% of costs paid or incurred to maintain winter-flooded rice.</p> <p>Fiscal:</p> <p>Annual General Fund (GF) revenue loss of \$2.6 million in 2017-18, \$10 million in 2018-19, and \$15 million in 2019-20.</p>	
AB 942	Mathis	<p>Subject: Income tax credit for veterinary costs.</p> <p>Allows a Personal Income Tax (PIT) credit for veterinary costs.</p> <p>Fiscal:</p> <p>General Fund (GF) revenue loss of \$1.9 billion in 2017-18, \$1.3 billion in 2018-19, and \$1.4 billion in 2019-20.</p>	

AB 960	Brough	<p>Subject: Partial sales tax exemption for textbook purchases.</p> <p>Provides a partial Sales and Use Tax (SUT) exemption for the purchases of textbooks purchased by students of an institution of higher education, as defined, from a retailer whose primary purpose is to provide textbooks to those students. This partial exemption becomes operative following a budget measure that appropriates funds to the Board of Equalization (BOE) for administering it.</p> <p>Fiscal:</p> <p>General Fund (GF) cost pressures in the range of \$50 million in 2017-18, \$107 million in 2018-19, and \$111 million in 2019-20. These cost pressures reflect the potential GF revenue loss if the proposed partial SUT exemption becomes operative once BOE receives an appropriation to administer it.</p>	
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AB 963	Gipson	<p>Subject: Administration and enforcement of cannabis-related taxes.</p> <p>Establishes the Cannabis Criminal Enforcement Team (CCET) and makes numerous changes to how the Sales and Use Tax (SUT), excise tax, and cultivation tax on marijuana are administered, collected, and enforced.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Significant one-time administrative costs in excess of \$300,000 for BOE to develop systems and processes needed for administering the sales tax and marijuana excise tax prepayment process, and ongoing administrative costs in excess of \$250,000 to manage that prepayment process. 2) Additional ongoing costs in excess of \$250,000 for BOE to develop regulations and administer a process for a wholesaler to collect the cultivation tax on behalf of cultivators, if BOE chooses to develop such regulations. 3) Unknown ongoing administrative costs for BOE to participate in the proposed CCET, which would result in enhanced enforcement activities and investigations. 4) Ongoing administrative costs for the California Department of Consumer Affairs (DCA) in the range of \$90,000 to investigate licensees that have BOE seller's permit suspended or revoked. 	
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AB 989	Cooper	<p>Subject: Tax treatment of Health Savings Accounts.</p> <p>Conforms California tax law to federal tax law with respect to health savings accounts (HSAs), with modifications, for taxable years beginning on or after January 1, 2019. The provisions of this bill become operative only when the Franchise Tax Board (FTB) receives an appropriation to administer them.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Minor General Fund (GF) cost pressures for FTB’s administration of the proposed conformity to federal law. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as required. 2) Additional GF cost pressures of \$50 million in 2018-19 and \$85 million in 2019-20. These cost pressures reflect the potential GF revenue loss if the proposed federal conformity becomes operative once FTB receives an appropriation to administer it. 	
AB 1010	Ting	<p>Subject: Expansion of the California Earned Income Tax Credit.</p> <p>Lowers the phase-out percentages for the California Earned Income Tax Credit (CalEITC), as specified, and expands the definition of “earned income” to include specified net earnings from self-employment.</p> <p>Fiscal:</p> <p>General Fund (GF) revenue loss of up to \$1.7 billion in 2017-18, \$1.8 billion 2018-19, and \$1.8 billion in 2019-20.</p>	

AB 1016	Steinorth	<p>Subject: Limited liability companies and prorated annual tax payment options.</p> <p>Prorates the annual tax for a new limited liability company (LLC) depending on the quarter in which the articles of organization are filed. The annual tax, under this bill, is \$800 if the LLC files articles of organization in the first quarter of the calendar year, \$600 in the second quarter, \$400 in the third quarter, and \$200 in the fourth quarter. These prorated options are contingent upon an appropriation to the Franchise Tax Board (FTB) to administer them.</p> <p>Fiscal:</p> <p>General Fund (GF) cost pressures of up to \$7.5 million in 2017-18, \$14 million in 2018-19, and \$15 million in 2019-20. These cost pressures reflect the potential GF revenue loss if the proposed prorated payment options become available once FTB receives an appropriation to administer this new policy.</p>	
AB 1072	Brough	<p>Subject: Sales and use taxes exclusion for garment alterations.</p> <p>Excludes from the sales and use tax, until January 1, 2023 and under certain conditions, the sale or purchase of alterations to new or used garments.</p> <p>Fiscal:</p> <p>Annual state and local revenue loss in the range of \$2 to \$4 million.</p>	
AB 1081	Burke	<p>Subject: Sales tax exclusion for low-emission motor vehicles.</p> <p>Provides a partial Sales and Use Tax (SUT) exclusion for the purchase of qualified clean air vehicles. This exclusion, which is available on taxable years beginning on or after January 1, 2017 and before January 1, 2023, is worth the trade-in value of another vehicle that is applied to the purchase price of the qualified clean air vehicle, as defined.</p> <p>Fiscal:</p> <p>General Fund (GF) revenue loss of \$6 million in 2017-18 and \$12 million each year thereafter.</p>	

AB 1085	Calderon	<p data-bbox="474 102 1291 134">Subject: Installment payment plans for minimum franchise tax.</p> <p data-bbox="474 175 1562 280">Provides limited liability companies (LLCs) with installment plan options for paying the annual tax and provides corporations with similar installment plan options for paying the minimum franchise tax.</p> <p data-bbox="474 321 569 354">Fiscal:</p> <ol data-bbox="474 394 1549 646" style="list-style-type: none"><li data-bbox="474 394 1549 540">1) Significant administrative costs to FTB in excess of \$150,000. FTB will need to update processes and forms, as required by this bill. FTB will also need to educate taxpayers about different payment options for paying either the annual tax or the minimum franchise tax.<li data-bbox="474 573 1549 646">2) Possible reduction in penalty and interest revenue due to taxpayers electing a different installment plan so as to avoid penalties.	
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AB 1100	Chen	<p>Subject: Homeowners' Property Tax Exemption and the Renter's Credit.</p> <p>Increases the Homeowners' Property Tax Exemption (Exemption) and the Renter's Credit (Credit) amounts. Specifically, this bill:</p> <ol style="list-style-type: none"> 1) Increases the Exemption from \$7,000 to \$25,000, beginning with the lien date for fiscal year 2018-19. The Exemption will then be adjusted by the percentage change in the Housing Price Index for California, as specified. 2) Increases the Credit available for taxable year 2018 from \$120 to \$428 for married couples filing joint returns, heads of household, and surviving spouses, and from \$60 to \$214 for other individuals, and increases the adjusted gross income (AGI) thresholds that determine eligibility for the Credit by inflation starting on taxable year 2019. 3) Makes the provisions of this bill contingent upon a budget appropriation to the Board of Equalization (BOE) and the Franchise Tax Board (FTB) to administer the expanded Exemption and Credit. <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Modest General Fund (GF) cost pressures for BOE and FTB to administer the proposed tax policies as required by this bill. These costs only materialize if BOE and FTB receive a budget appropriation to administer the provisions of this bill. 2) Additional GF cost pressures of \$1.25 billion in 2018-19 and \$1.23 in 2019-20, which reflect the combined revenue loss from the state reimbursement to local governments for the loss of property tax associated with the increased Exemption as well as the revenue loss from the proposed expansion of the Credit. This revenue loss occurs if the BOE and FTB receive an appropriation to administer the provisions of this bill. 	
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AB 1216	Choi	<p>Subject: Tax credit for additional full-time workers.</p> <p>Allows Corporation Tax (CT) credit to a qualified employer for hiring additional workers. Specifically, this bill:</p> <ol style="list-style-type: none"> 1) Allows a CT credit, for taxable years 2018 through 2024, in an amount equal to 17.5% of qualified wages paid to a qualified employee, not to exceed \$5 million per taxpayer. The total amount of credits that can be allocated cannot exceed \$50 million per taxable year. 2) Specifies that employers qualify for the credit if they employ over 50 workers during base year, which is defined as either 2018 or the first taxable year in which they engage business in the state, and if they hire more than 20 annual full-time equivalent employees compared to the base year. An employer can only be eligible for the first 5 years following the base year. 3) States that the deduction will become operative on the effective date of any budget measure that appropriates funds to the Franchise Tax Board (FTB) for administration of the credit. <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Significant administrative General Fund (GF) cost pressures in excess of \$150,000 for the Franchise Tax Board (FTB) to implement and run the capped credit program, as required by this bill. These costs only materialize if FTB receives a budget appropriation to administer the provisions of this bill, as required. 2) Additional GF cost pressures of up to \$50 million beginning in 2018-19. These cost pressures reflect the potential GF revenue loss if the proposed credit becomes operative once FTB receives an appropriation to administer it. 	
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AB 1249	Gray	<p>Subject: Property taxation exemption for veterans' organization.</p> <p>Extends the application of the "veterans' organization" property tax exemption to real property owned by certain veterans' organizations and used for fraternal, lodge, or social club purposes, as specified, excluding the bar area.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Annual local revenue loss of approximately \$625,000, resulting in General Fund (GF) costs of \$310,000 as a result of the Proposition 98 guarantee. 2) Moderate one-time administrative costs of around \$100,000 to the Board of Equalization (BOE) to implement the provisions of this bill. 	
AB 1256	Brough	<p>Subject: Reduced minimum franchise tax and annual tax for new small businesses.</p> <p>Reduces the second taxable year's minimum franchise tax (MFT) to \$100 for a new small business that is a corporation, as defined, and reduces the first taxable year's annual tax to \$100 for new small businesses that are limited partnerships (LPs), limited liability partnerships (LLPs), or limited liability companies (LLCs), as defined. These reductions in the MFT and the annual tax are contingent upon an appropriation to the Franchise Tax Board (FTB) to implement this policy.</p> <p>Fiscal:</p> <p>General Fund (GF) cost pressures of approximately \$14 million in 2017-18, \$47 million in 2018-19, and \$70 million in 2019-20. These cost pressures reflect the potential GF revenue loss if the proposed reductions in the MFT and annual tax become operative once FTB receives an appropriation to administer them.</p>	

AB 1257	Baker	<p>Subject: Franchise Tax Board and debtor payment priorities.</p> <p>Requires the Franchise Tax Board (FTB), starting on January 1, 2020, to prioritize crime victim restitution payments in its debt collection efforts when a debtor has multiple debts.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Modest decline in annual collected tax revenue of less than \$50,000 General Fund (GF) starting in 2020-21 because of the new prioritization of crime victim restitution payments over state tax debt payments as part of the debt collection process. Recent policy committee amendments to AB 1257 allow FTB to issue a stay on the statute of limitations on collecting taxes owed, thereby reducing the overall revenue impact. 2) Significant one-time administrative costs in excess of \$200,000 GF for FTB to develop new systems to implement the new prioritization process, including reprogramming debt-collection systems and interfacing with county court systems to develop a process to separate restitution orders from other COD referrals. 	
AB 1322	Bocanegra	<p>Subject: Intercounty base year value transfers.</p> <p>Allows, starting on January 1, 2019, a person 55 years of age or older, or any severely and permanently disabled person, to transfer the base year value of a property to a replacement home located in a different county without the receiving county having adopted an ordinance that allows such a transfer. This bill makes the provisions operative upon voter approval of an Assembly Constitutional Amendment (ACA).</p> <p>Fiscal:</p> <p>Annual property tax revenue losses of approximately \$1.9 million, resulting in GF costs of approximately \$950,000 as a result of the Proposition 98 guarantee.</p>	

AB 1341	Calderon	<p>Subject: Income tax credit and deduction for zero-emission and near-zero-emission vehicles.</p> <p>Allows a Personal Income Tax (PIT) credit for the purchase of a new near zero-emission vehicle (NZEV) or a zero-emission vehicle (ZEV) and a PIT deduction for the purchase of used NVEV and ZEV vehicles.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Annual General Fund (GF) revenue loss of up to \$65 million in 2017-19, \$130 million in 2018-19, and \$160 million in 2019-20. The GF may be reimbursed by funds from the Greenhouse Gas Reduction Fund (GGRF) or other specified funds, if the Legislature chooses to appropriate funds for that purpose. 2) Ongoing administrative costs for California Air Resources Board (ARB) in excess of approximately \$3.3 million beginning in 2017-18 to run the preapproval process for the PIT credit, as required. 3) Significant one-time administrative costs in excess of \$150,000 GF for the Franchise Tax Board (FTB) to implement the proposed credit and deduction. The GF may be reimbursed by funds from the GGRF or other specified funds, if the Legislature chooses to appropriate funds for that purpose. 	
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AB 1410	Wood	<p>Subject: Collection of the marijuana cultivation tax.</p> <p>Allows licensed distributors to collect the marijuana cultivation tax from cultivators, if requested by the cultivators to do so. The distributor may collect the cultivation tax at specified points in the supply chain and is only authorized to collect the tax when a cultivator is required to send harvested marijuana to a distributor.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) An unknown but potential increase in collected taxes to be deposited into the California Marijuana Tax Fund (California Marijuana Tax Fund). 2) Significant one-time administrative costs for the Board of Equalization (BOE) in excess of \$300,000 to allow BOE to collect the cultivation tax from both distributors and cultivators. 3) Ongoing administrative costs in excess of \$150,000 annually to work with possible taxpayers and track the marijuana cultivation taxes owed and collected. 	
AB 1432	Melendez	<p>Subject: Minimum Franchise Tax study.</p> <p>Requires the California State University’s Center for California Studies (Center) to conduct research on the business impact of California’s Minimum Franchise Tax (MFT) and the annual tax equal to the MFT.</p> <p>Fiscal:</p> <p>One-time costs of up to \$40,000 for the Center to develop and release the proposed study. This study would be paid for through existing funds in the Center’s Faculty Research Fellows Program budget.</p>	

AB 1566	Irwin	<p>Subject: BOE overpayment and underpayment of taxes.</p> <p>Allows the Board of Equalization (BOE) to apply overpayments or underpayments of sales and use taxes that are otherwise barred by the statute of limitations against overpayments or underpayments in different periods that are within the same calendar year. BOE can make these adjustments on or after January 1, 2018, and before January 1, 2023, and BOE must report to the Legislature by January 1, 2021 on the number of taxpayers affected and the revenue impact of these adjustments.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Minor administrative costs to the BOE to administer the proposed overpayment and underpayment adjustment process. The number of cases this new process will address is likely to be minimal. Moreover, to the extent that this process reduces the number of appeals, there could be minor cost savings as well. 2) Potentially significant loss of tax and penalty revenue. The expected number of cases that this process will address is likely very small, but these cases could have significant revenue implications for the state. 3) Minor costs to develop statistics and a report to be submitted to the Legislature. 	
AB 1593	Ridley-Thomas	<p>Subject: Use tax and personal income tax returns.</p> <p>Requires the Franchise Tax Board (FTB), beginning on taxable years starting on or after January 1, 2017, to revise personal income tax (PIT) returns to require taxpayers to enter a number on the use tax line. Taxpayers who enter zero on the use tax line must indicate that either they owe no use tax or that they submitted use tax obligations directly to the Board of Equalization (BOE).</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) An increase in collected state revenue of approximately \$6.1 million General Fund (GF) annually. 2) Unknown, but likely minor GF costs for FTB to update PIT returns. 	

AB 1629	Maienschein	<p>Subject: Income tax and corporation tax credit for employees with disabilities.</p> <p>Allows a tax credit, under both the Personal Income Tax (PIT) and the Corporation Tax (CT) law, to employers who pay certain individuals with disabilities an hourly wage that is the statewide minimum wage or higher.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Annual General Fund (GF) revenue loss of \$500,000 in 2017-19, \$2.4 million in 2018-19, and \$5.5 million in 2019-20. 2) Unknown, but likely minor, administrative costs to FTB for administering the proposed credit and for developing the report to the Legislature, as required by this bill. 	
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