

Assembly Appropriations Committee
REV & TAX

8/10/16 3:10 PM

BILL	AUTHOR	SUBJECT/FISCAL EFFECT	RECOMMENDATION
SB 500	Hertzberg	<p>Subject: Creates a nonresident "de minimis income" exclusion.</p> <p>Excludes from the Personal Income Tax (PIT) the gross income of a nonresident to the extent that the income is "de minimis," as defined, and received on or after January 1, 2017, or before January 1, 2021.</p> <p>Fiscal:</p> <ol style="list-style-type: none">1) Annual GF revenue loss of \$150,000.2) Minor administrative costs to FTB and EDD.	

SB 587	Stone	<p>Subject: Elimination of inflation adjustment of property values for seniors.</p> <p>Eliminates the inflation adjustment of the assessed value of a low-income senior's primary home. Specifically, this bill, beginning on January 1, 2017, eliminates future inflation factor increases for qualified homeowners 65 years or older who have an annual income of \$25,000 or less, if single, or \$50,000 or less, if married.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Annual property tax loss of approximately \$27 million, resulting in GF costs of approximately \$13.5 million as a result of the Proposition 98 guarantee. 2) Minor and absorbable costs to the Board of Equalization (BOE) to modify forms, publications, and website materials. 3) Unknown and possibly reimbursable costs for local assessors to verify the income of qualified seniors. 	
SB 640	Beall	<p>Subject: Refunds of improper sales and use tax payments to customers.</p> <p>Authorizes a customer to file a claim for refund of excess sales and use tax paid by the customer in an amount of \$1,000 or greater, allowing the Board of Equalization (BOE) to make a direct refund to the customer. The bill requires merchants to make records available to BOE for purposes of excess tax payment verification and requires BOE to publish any proposed determination with respect to amounts in excess of \$50,000 prior to final determination.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Estimated administrative costs of \$5.4 million in FY 2016-17, and ongoing annual administrative costs of approximately \$6.6 million thereafter to create and modify systems to track and issue refunds, likely General Fund. 2) Unknown, but potentially significant GF revenue decreases as a result of additional refunds. 	

SB 690	Stone	<p>Subject: Elimination of inflation adjustment of property values for veterans and expansion of Disabled Veterans' Exemption.</p> <p>Creates two property tax benefits for veteran taxpayers. Specifically, this bill:</p> <ol style="list-style-type: none"> 1) Eliminates the inflation adjustment of the assessed value of a qualified veteran's primary home starting on January 1, 2017. A veteran taxpayer is qualified if he or she is 65 years of age or older, was discharged honorably from military service, and has an annual income of \$50,000 or less, if single, and \$100,000 or less, if married. 2) Expands the partial property tax exemption for disabled veterans (Disabled Veterans' Exemption) whose household does not exceed \$40,000 to a full property tax exemption for property tax lien dates on or after January 1, 2017. <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Annual property tax loss of approximately \$13.3 million, resulting in GF costs of approximately \$6.2 million as a result of the Proposition 98 guarantee. 2) Minor and absorbable costs to the Board of Equalization (BOE) to modify forms, publications, and website materials. 3) Unknown and possibly reimbursable costs for local assessors to verify the income of qualified seniors. 	
SB 873	Beall	<p>Subject: Allows taxpayers to sell low-income housing tax credits.</p> <p>Allows taxpayers to sell Low-Income Housing Tax Credits (LIHTCs) and extends the sunset date on provisions relating to the allocation of federal and state LIHTCs.</p> <p>Fiscal:</p> <p>GF revenue gain of \$300,000 in 2016-17, and GF revenue losses of \$100,000 and \$700,000 in 2017-18 and 2018-19, respectively.</p>	

SB 907	Galgiani	<p>Subject: The tax treatment of discharged mortgage debt.</p> <p>Extends the tax relief for income generated from the discharge of qualified principal residence indebtedness (QPRI).</p> <p>Fiscal:</p> <p>Annual GF revenue loss of \$95 million, \$45 million, and \$12 million in 2015-16, 2016-17, and 2017-18, respectively.</p>	
SB 996	Hill	<p>Subject: Expands the property tax welfare exemption for certain low income housing properties.</p> <p>Increases the total property tax welfare exemption allowed to a qualified nonprofit taxpayer from \$20,000 to \$100,000 with respect to lien dates occurring on or after January 1, 2017. This bill also allows a cancellation or refund of property tax outstanding or paid in excess of \$20,000 between January 1, 2013 and January 1, 2017, to the extent that the amount canceled or refunded does not exceed \$100,000.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Annual ongoing property tax revenue losses of approximately \$240,000, resulting in GF costs of approximately \$120,000 as a result of the Proposition 98 guarantee. 2) One-time property tax refund or cancellations of about \$400,000, resulting in GF costs of approximately \$200,000 as a result of the Proposition 98 guarantee. 	

SB 1216	Hueso	<p>Subject: Tax credit for employers that hire former youth offenders.</p> <p>Establishes an income tax credit, under both the Personal Income Tax (PIT) and the Corporation Tax (CT) laws, for employers that hire certain young individuals who are ex-offenders convicted of a felony, as defined.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) One-time administrative costs to FTB of approximately \$750,000 to implement the proposed tax credit and ongoing administrative costs of approximately \$150,000 to maintain the program. (General Fund) 2) Annual revenue loss of \$0.3 million, \$1.1 million, and \$1.8 million in 2016-17, 2017-18, and 2018-19, respectively. (General Fund) 	
SB 1329	Hertzberg	<p>Subject: Extends current commercial aircraft property tax assessment method.</p> <p>Extends the Centralized Fleet Calculation Program for statewide assessment of certificated aircraft for property tax purposes for one year, until fiscal year (FY) 2017-18.</p> <p>Fiscal:</p> <ol style="list-style-type: none"> 1) Unknown revenue impact relative to current law. Property tax revenues for the additional year utilizing the lead assessor methodology could be higher or lower than what would have occurred absent this bill. 2) Minor administrative and implementation costs to the Board of Equalization (BOE). 	