

State of California

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Legislative Change No.

01-11

Bill Number: AB 1370

Author: Wiggins

Chapter Number: 01-266

Laws Affecting Franchise Tax Board: Section 1 of the Act, and Revenue and Taxation Code Sections 20543 and 20544

Date Filed with the Secretary of the State: September 10, 2001

SUBJECT: FTB Conduct Study of Tax Forms/Homeowners and Renters Assistance Increase

Assembly Bill 1370 (Wiggins), as enacted on September 10, 2001, made the following changes to California law:

Section 1 of the Act is added.

This act requires the Franchise Tax Board to conduct a study of tax forms used by taxpayers who are 65 years of age or older, and make a report of that study to the Legislature on or before January 1, 2002, or as soon thereafter as practicable.

Section 20543 of the Revenue and Taxation Code is amended.

This act returns the income levels eligible for assistance to the 2001 calendar year levels prior to the enactment of AB 426 (Stats. 2001, Ch. 156). In addition, this act provides a permanent increase of 45% in homeowners assistance payments for low-income seniors and disabled individuals beginning with the 2001 calendar year. The maximum homeowners assistance would be increased from \$326 to \$473. This amount is calculated as follows:

For homeowners assistance, the maximum assistance would be \$34,000 (maximum property value) x 1% (property tax rate) x 139% (percentage of tax) = \$473

Section 20544 of the Revenue and Taxation Code is amended.

This act returns the income levels eligible for assistance to the 2001 calendar year levels prior to the enactment of AB 426 (Stats. 2001, Ch. 156). In addition, this act provides a permanent increase of 45% in renters assistance payments for low-income seniors and disabled individuals beginning with the 2001 calendar year. The maximum renters assistance would be increased from \$240 to \$348. This amount is calculated as follows:

For renters assistance, the maximum assistance would be calculated as \$250 (property tax equivalent) x 139% (percentage of statutory property tax equivalent) = \$348.

As an urgency measure, this act is effective upon enactment and applies to claims filed for the calendar year beginning January 1, 2001.

Bureau Director

Brian Putler

Date

September 19, 2001