

State of California

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Legislative Change No.**01-35**Bill Number: AB 25Author: MigdenChapter Number: 01-893Laws Affecting Franchise Tax Board: Revenue and Taxation Code Section 17021.7Date Filed with the Secretary of the State: October 14, 2001

SUBJECT: Exclusion/Employer-Provided Medical Insurance Benefits/Includes Domestic Partners

Assembly Bill 25 (Migden), as enacted on October 14, 2001, made the following changes to California law:

Section 17021.7 of the Revenue and Taxation Code is added.

This act provides that the taxpayer's domestic partner be treated as the spouse of the taxpayer for purposes of determining:

- medical expenses deductible as an itemized deduction,
- medical expenses deductible as an adjustment to gross income for self-employed individual health insurance,
- an exclusion from gross income for employer-provided accident and health insurance,
- an exclusion from gross income for medical expense reimbursement if the expense was not previously deducted, and
- long-term health care insurance deductible as a medical expense.

This act defines the term "domestic partner" by reference to Family Code Section 297, which states that California recognizes a domestic partnership as being established when specified requirements are met.

This act is effective January 1, 2002, and operative for taxable years beginning on or after that date.

This act will not require any reports by the department to the Legislature.

Bureau Director

Brian Putler

Date

October 16, 2001