

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Corbett Analyst: LuAnna Hass Bill Number: AB 1118

Related Bills: See Prior Analysis Telephone: 845-7478 Amended Date: May 16, 2001

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Seismic Retrofitting Credit

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced February 23, 2001.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 23, 2001, STILL APPLIES.

OTHER - See comments below.

SUMMARY

This bill would allow a credit equal to 55% of the costs of seismically retrofitting a single-family or multiple-family residential structure constructed before 1979.

SUMMARY OF AMENDMENTS

The May 16, 2001, amendments added two co-authors, made various changes to the appropriations language, and added a reporting requirement for the Department of Insurance. The amendments do not affect the department and are not discussed in this analysis. The department's analysis of the bill as introduced February 23, 2001, still applies. The following implementation and technical considerations still apply and are included below for convenience.

POSITION

Pending.

Summary of Suggested Amendments

Amendments 1 through 4 would address the department's technical concerns.

Board Position:

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 N OUA PENDING

Legislative Director

Date

Jana Howard for BP

06/04/01

IMPLEMENTATION CONCERNS

This bill would require the department to provide a report on the "effectiveness" of the tax credit program. Although the department does accumulate and gather statistics related to income tax, it does not have expertise in seismic retrofitting and disaster preparedness. It may be more appropriate for the report to require the Seismic Safety Commission or the Legislative Analyst's Office to determine the "effectiveness" of the program, with statistical input from the department.

TECHNICAL CONSIDERATIONS

Amendments 1 through 4 are provided to correct various language inconsistencies between the Personal Income Tax Law and Bank and Corporation Tax Law provisions.

LEGISLATIVE STAFF CONTACT

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FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO AB 1118
As Amended May 16, 2001

AMENDMENT 1

On page 3, line 24, ~~strikeout "may"~~, and insert:
shall

AMENDMENT 2

On page 3, modify line 40 as follows:
damage, including, but not limited to, the following:

AMENDMENT 3

On page 6, line 24, before "(1)" insert:
(d)

AMENDMENT 4

On page 7, line 9, ~~strikeout "then,"~~