

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Runner Analyst: Gloria McConnell Bill Number: AB 485

Related Bills: See Prior Analysis Telephone: 845-4336 Amended Date: 05/24/01

Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Joint Strike Fighter Program Credit/Extends Repeal Date

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/amended \_\_\_\_\_.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 21, 2001, STILL APPLIES.

OTHER - See comments below.

## SUMMARY

This bill would extend for two years the tax credits related to the Joint Strike Fighter (JSF) program.

## SUMMARY OF AMENDMENTS

The May 24, 2001, amendments make technical changes consistent with the May 16, 2001, clarifying amendments.

The May 16, 2001, amendments clarify that this credit is for six years, starting with tax year 2003, and the credit applies to the engineering and manufacturing development phase of the JSF program. These amendments resolve the "Technical Considerations" identified in the department's previous analysis.

## EFFECTIVE/OPERATIVE DATE

As a tax levy, this bill would be effective immediately upon enactment. However, it would be operative for tax years beginning on or after January 1, 2003, and before January 1, 2008.

## POSITION

Pending.

Board Position:

S       NA       NP  
 SA       O       NAR  
 N       OUA       PENDING

Legislative Director

Date

Brian Putler

06/15/01

## Summary of Suggested Amendments

A technical amendment is attached for the author's convenience.

### Technical Consideration

Our previous analysis suggested an amendment to correct a technical reference within the credit provisions. However, the amendment was incorrect. The attached amendment corrects that error. Staff apologizes for any inconvenience or other problems this error may have caused.

### Tax Revenue Estimate

Revenue losses for this bill over the initial three-year period and the overall total costs are projected to be as follows:

<b>Fiscal Year Cash Flow Impact Enactment Assumed After 6/30/01 \$ Millions</b>			
<b>2001-2</b>	<b>2002-3</b>	<b>2003-4</b>	<b>Total 2003-2009</b>
<b>0</b>	<b>0</b>	<b>(3)</b>	<b>(69)</b>

This analysis does not take into account any change in employment, personal income, or gross state product that may result from this bill becoming law.

### Revenue Discussion

This amendment postpones the inception of the JSF credit to January 1, 2003. The revenue losses from this bill have, therefore, been adjusted to reflect the unavailability of the credit prior to that date.

## LEGISLATIVE STAFF CONTACT

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FRANCHISE TAX BOARD'S  
PROPOSED AMENDMENTS TO AB 485  
As Amended May 24, 2001

AMENDMENT 1

On page 5, line 3, and page 13, line 30, strike out "(2)" and insert:

(1)