

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Ortiz Analyst: Darrine Distefano Bill Number: SBXX 75

Related Bills: See Prior Analysis Telephone: 845-6458 Amended Date: 07-03-2001

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

**SUBJECT:** Energy Efficient Products or Equipment Loan Interest Deduction

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 amended June 20, 2001.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO SUPPORT.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED June 20, 2001 STILL APPLIES.

OTHER - See comments below.

## SUMMARY

This bill would allow a deduction for interest paid on any loan or financed indebtedness from a utility company to purchase energy efficient equipment and products for California residences.

## SUMMARY OF AMENDMENT

The July 3, 2001, amendment eliminated the term "private" from the type of utility company that a taxpayer may finance a loan through to purchase energy efficient equipment and products.

The amendment did not resolve the department's technical consideration with respect to the bill as amended June 20, 2001. The unresolved technical consideration is provided below for convenience. The remainder of the department's analysis of the bill as amended June 20, 2001, still applies.

## POSITION

Support.

At its June 27, 2001 meeting, the Franchise Tax Board voted 2-0 to support this bill, with Annette Porini, on behalf of Member B. Timothy Gage, abstaining.

Board Position:

S      \_\_\_\_\_ NA      \_\_\_\_\_ NP  
\_\_\_\_\_ SA      \_\_\_\_\_ O      \_\_\_\_\_ NAR  
\_\_\_\_\_ N      \_\_\_\_\_ OUA      \_\_\_\_\_ PENDING

Legislative Director

Date

Brian Putler

07/17/01

TECHNICAL CONSIDERATIONS

The language in the bill encouraging public utilities to notify their customers about the interest deduction provided by the bill or provided on a home equity or home improvement loan may be more appropriately located in the Public Utilities Code.

**LEGISLATIVE STAFF CONTACT**

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