

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Mountjoy, et al. Analyst: John Pavalasky Bill Number: AB 2952

Related Bills: See Prior Analysis Telephone: 845-4335 Amended Date: May 24, 2004

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

**SUBJECT:** Exemption/Income Of Spouse Of Member Of Armed Forces Who Dies While In Active Service

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 20, 2004, STILL APPLIES.

OTHER - See comments below.

## SUMMARY

Under this bill, the first \$50,000 of income of a surviving spouse of a member of the Armed Forces who dies in a military combat or terrorist action would be exempt from income taxes for the year of the member's death.

## SUMMARY OF AMENDMENTS

The May 24, 2004, amendments restrict the exemption from taxation to the first \$50,000 of income of a surviving spouse of a member of the Armed Forces who dies in a military combat or terrorist action for the year of the member's death.

The amendments impact revenue and a new revenue estimate is provided. The remainder of the previous analysis of the bill as introduced February 20, 2004, still applies.

## POSITION

Pending.

Board Position:

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

Legislative Director

Date

Brian Putler

6/9/04

## ECONOMIC IMPACT

### Revenue Estimate

Fiscal Year	2004-2005	2005-2006	2006-2007
Exemption of Spouse Income	Negligible Losses Not Exceeding \$6,000	Negligible Losses Not Exceeding \$6,000	Negligible Losses Not Exceeding \$6,000

### Revenue Discussion

Due to data limitations and uncertainties regarding future events, revenue losses are based on a per 100 deaths of eligible California military personnel. Revenue losses from this bill would be negligible, less than \$6,000 for every 100 deaths of California military personnel. For this analysis it is assumed that for every 100 Armed Forces members that die, 75% are married and, of those married, 50% have spouses that work. Of the spouses that work it is assumed that they have an adjusted gross income (AGI) of \$32,000 a year (median California AGI for the year 2000). The average tax for a 2000 joint return with an AGI of \$32,000 was \$166. The revenue loss would be on the order of \$6,200 (100 deaths x 75 % married x 50% with working spouse x \$166 average tax revenue loss) for the first tax year.

## LEGISLATIVE STAFF CONTACT

John Pavalasky  
Franchise Tax Board  
845-4335  
[john.pavalasky@ftb.ca.gov](mailto:john.pavalasky@ftb.ca.gov)

Brian Putler  
Franchise Tax Board  
845-6333  
[brian.putler@ftb.ca.gov](mailto:brian.putler@ftb.ca.gov)