

**NO ANALYSIS REQUIRED**

Author: Arambula Analyst: Darrine Distefano Bill Number: AB 2595

Related Bills: \_\_\_\_\_ Telephone: 845-4142 Amended Date: April 6, 2006

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

**SUBJECT:** Depreciation Deduction/Qualified Manufacturing Equipment/Taxpayer May Elect To Take Deduction For Entire Cost In 3 Years

ANALYSIS NOT REQUIRED of this bill – Not within scope of responsibility of this department.  
 TECHNICAL BILL – No program or fiscal changes to existing program.  
 BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.  
 TECHNICAL AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.  
 MINOR AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is Pending.  
 MINOR AMENDMENT – No change in approved position of \_\_\_\_\_. See Comments below  
 OTHER – See comments below.

**COMMENTS:**

This bill would provide a tax deduction for expenses paid for manufacturing equipment.

The April 6, 2006, amendments delete and add provisions relating to a sales and use tax offset for a small size manufacturer. The amendments also require the taxpayer that elects the depreciation deduction to maintain records to verify the qualified manufacturing equipment meets the sales and use tax requirements.

The amendments do not impact the department’s programs or operations. The department’s analysis of this bill as introduced, February 24, 2006, still applies.

Board Position: <input type="checkbox"/> S <input type="checkbox"/> NA <input type="checkbox"/> NP <input type="checkbox"/> SA <input type="checkbox"/> O <input checked="" type="checkbox"/> NAR <input type="checkbox"/> N <input type="checkbox"/> OUA <input type="checkbox"/> PENDING	Franchise Tax Board Staff Darrine Distefano	Date 4/20/06
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