

SUMMARY ANALYSIS OF AMENDED BILL

Author: Haynes and Dymally Analyst: John Pavalasky Bill Number: AB 957
 Related Bills: See Prior Analysis Telephone: 845-4335 Amended Date: January 4, 2006
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Qualified Equity Investment Credit/Qualified Contribution Credit/California New Markets Venture Capital Program Act Of 2005

- 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 DEPARTMENTS 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 18, 2005, STILL APPLIES.
- OTHER – See comments below.

SUMMARY

This bill would enact:

- The California New Markets Venture Capital Program Act of 2005, administered by the Business, Transportation and Housing Agency, and
- Two new tax credits relating to low or moderate income community development.

SUMMARY OF AMENDMENTS

The bill made extensive amendments to the Government Code provisions relating to the California New Markets Venture Capital Program Act of 2005. As the bill specifies that the Business, Transportation and Housing Agency, rather than the Franchise Tax Board (FTB), would administer the Government Code provisions relating to the California New Markets Venture Capital Program Act of 2005, those amendments are not discussed in this analysis except as they relate to the two new tax credits that would be administered by the FTB.

Except for a revised discussion under EFFECTIVE/OPERATIVE DATE, the remainder of the analysis of the bill as introduced February 18, 2005, still applies and is not repeated.

Board Position:	Legislative Director	Date
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<input checked="" type="checkbox"/> PENDING	Brian Putler	01/23/06

EFFECTIVE/OPERATIVE DATE

If this bill were enacted in 2006, it would be effective January 1, 2007. However, each of the credit sections specify that they are operative on January 1 of the year following the date a specific notice is made to the FTB under Section 7091.2 of the Government Code. The January 4, 2006, amendments struck-out the FTB notice requirement in proposed Section 7091.2 of the Government Code and, thus, the required notice will never be made. As currently drafted, without the notice to the FTB under Section 7091.2 of the Government Code, the credits enacted by this bill will never become operative.

POSITION

Pending.

LEGISLATIVE STAFF CONTACT

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