

State of California

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Legislative Change No.

06-32

Bill Number: AB 2735

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Chapter Number: 06-897

Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 17207 and 24347.5.

Date Filed with the Secretary of the State: September 30, 2006

SUBJECT: Disaster Loss Deduction/Excess Loss Carryover/Specified Counties/December 2005, January 2006, March 2006, Or April 2006 Rainstorms, Related Flooding & Slides & Any Other Related Casualties/July 2006 San Bernardino County Wildfires

Assembly Bill 2735 (Nava) as enacted on September 30, 2006, made the following changes to California law:

Sections 17207 & 24347.5 of the Revenue and Taxation Code are amended.

This act would add the severe rainstorms and related events that occurred in the following counties in December 2005, January 2006, March 2006, or April 2006, to the current list of specified disasters under the Personal Income Tax Law (PITL) and the Corporation Tax Law (CTL): Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, El Dorado, Fresno, Kings, Lake, Lassen, Madera, Marin, Mariposa, Merced, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Tulare, Tuolumne, Yolo, and Yuba.

This act would also add the wildfires that occurred in San Bernardino County in July of 2006 to the current list of specified disasters under the PITL and the CTL.

Specifically, this act allows special disaster treatment of losses sustained as a result of those disasters.

The \$100 and 10% of adjusted gross income limitations in existing law apply to disaster losses on nonbusiness property.

AB 1798 (Berg, Stat. 2006, Ch. 896) would also adopt these provisions in the specified counties. AB 2735 was chaptered after AB 1798.

This act is an urgency measure and is effective and operative immediately upon enactment.

This act does not require any reports by the department to the Legislature.

Assistant Bureau Director
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Date
10/11/06