

SUMMARY ANALYSIS OF AMENDED BILL

Author: Migden Analyst: John Pavalasky Bill Number: SB 758
 Related Bills: See Prior Analysis Telephone: 845-4335 Amended Date: April 16, 2007,
April 18, 2007
 Attorney: Douglas Powers Sponsor: _____

SUBJECT: Exclusion/Gain From Sale Of Stock In Agricultural Refiners & Processors To Farm Cooperatives

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced February 23, 2007.
- 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 23, 2007, STILL APPLIES.
- OTHER – See comments below.

SUMMARY

This bill would, in conformity with federal income tax law, permit owners of certain food refiners and processors to exclude from current California tax the gain from the sale of their stock to eligible farmers' cooperatives.

SUMMARY OF AMENDMENTS

The April 16, 2007, and April 18, 2007, amendments made technical amendments to the bill provided to the author by the department as discussed in the previous analysis of the bill as introduced February 23, 2007.

The discussion under THIS BILL and the ECONOMIC IMPACT are not impacted by these technical amendments but are restated for convenience. The remainder of the previous analysis of the bill as introduced February 23, 2007, still applies.

POSITION

Pending.

Board Position:	Legislative Director	Date
<input type="checkbox"/> S		
<input type="checkbox"/> SA		
<input type="checkbox"/> N		
<input type="checkbox"/> NA		
<input type="checkbox"/> O		
<input type="checkbox"/> OUA		
<input type="checkbox"/> NP		
<input type="checkbox"/> NAR	Brian Putler	4/19/07
<input checked="" type="checkbox"/> PENDING		

THIS BILL

Starting in 2007, this bill would, in conformity with federal income tax law, permit owners of certain qualified refiners and processors to exclude from current California taxation the gain from the sale of their stock to eligible farmers' cooperatives.

ECONOMIC IMPACT

Revenue Estimate

Based on data and assumptions discussed below, this bill would result in the following revenue losses.

Estimated Revenue Impact of SB 758 As Introduced 2/23/07 (\$ in Millions)		
2007-08	2008-09	2009-10
<\$0.25	<\$0.25	<\$0.25

This analysis does not consider the possible changes in employment, personal income, or gross state product that could result from this bill.

Revenue Discussion

The revenue impact of the bill is determined by the amount of otherwise taxable gains that are deferred under the bill and tax rates of taxpayers selling qualified securities. Estimates are based on a proration of low-level federal projections developed for the Taxpayer Relief Act of 1997.

LEGISLATIVE STAFF CONTACT

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