

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Perez, et al. Analyst: Matthew Cooling Bill Number: AB 2136  
 Related Bills: See Prior Analysis Telephone: 845-5983 Amended Date: May 6, 2010  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Disaster Loss Deduction/Excess Loss Carryover/April 2010 Imperial County Earthquake

\_\_\_\_\_ 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 ALL OF THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as amended April 27, 2010.  
 X

\_\_\_\_\_ FURTHER AMENDMENTS NECESSARY.

\_\_\_\_\_ DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

\_\_\_\_\_ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED APRIL 27, 2010, STILL APPLIES.  
 X

\_\_\_\_\_ OTHER – See comments below.  
 X

**SUMMARY**

This bill would allow special tax treatment, called disaster loss treatment, for losses sustained as a result of the April 2010 Imperial County earthquake.

**SUMMARY OF AMENDMENTS**

The May 6, 2010, amendments added urgency language to the bill and resolved one of the department's technical considerations. As a result of the amendments, the "Effective/Operative Date" and "Technical Considerations" discussions have been revised.

Except for the "Effective/Operative Date" discussion and the resolved technical consideration, related to urgency language, the department's analysis of the bill as amended April 27, 2010, still applies. The "This Bill" discussion and the remaining technical consideration from the department's analysis of the bill as amended April 27, 2010, have been provided below for convenience.

Board Position:	Asst. Legislative Director	Date
_____ S		
_____ SA		
_____ N		
_____ NA		
_____ O		
_____ OUA		
_____ NP		
_____ NAR		
_____ X PENDING	Patrice Gau-Johnson	05/10/10

## **EFFECTIVE/OPERATIVE DATE**

As an urgency measure, this bill would be effective and operative immediately upon enactment.

## **POSITION**

Pending.

## **ANALYSIS**

### THIS BILL

This bill would add the earthquake that occurred in Imperial County in April 2010 to the current list of specified disasters under the Personal Income Tax Law and the Corporation Tax Law. This bill would allow taxpayers affected by the earthquake to elect to file an amended return for the prior taxable year to deduct the disaster loss and reduce the prior year tax liability, resulting in an expedited refund. This bill would also allow carry forward treatment for up to 15 taxable years for excess losses sustained as a result of the earthquake.

Specifically, this bill would allow special disaster treatment of losses sustained as a result of this disaster. The \$100 and 10 percent of adjusted gross income limitations in existing law would apply to disaster losses on non-business property.

### TECHNICAL CONSIDERATION

This bill, AB 50 (Nava, et al., 2009/2010), AB 79 (Duvall, 2009/2010), AB 1662 (Portantino, et al., 2009/2010), and AB 1690 (Chesboro et al., 2009/2010) would amend the same sections to allow disaster loss treatment to the specified disasters in those bills. As a result, this could lead to chaptering conflicts that could chapter out the provisions of the other bills. To prevent chaptering conflicts, it is recommended that the author amend the bill to add quintuple-jointing language.

## **LEGISLATIVE STAFF CONTACT**

Legislative Analyst

Matthew Cooling

(916) 845-5983

[matthew.cooling@ftb.ca.gov](mailto:matthew.cooling@ftb.ca.gov)

Revenue Manager

Monica Trefz

(916) 845-4002

[monica.trefz@ftb.ca.gov](mailto:monica.trefz@ftb.ca.gov)

Asst. Legislative Director

Patrice Gau-Johnson

(916) 845-5521

[patrice.gau-johnson@ftb.ca.gov](mailto:patrice.gau-johnson@ftb.ca.gov)