

SUMMARY ANALYSIS OF AMENDED BILL

Author: Cook Analyst: Gail Hall Bill Number: AB 2671
 Related Bills: See Prior Analysis Telephone: 845-6111 Amended Date: July 15, 2010
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Minimum Franchise Tax/Exempt Corporations And Limited Liability Companies Owned Solely By Deployed Member Of U.S. Armed Forces That Operate At A Loss Or Ceases Operation

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended June 30, 2010.
 _____ 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 AMENDED JUNE 30, 2010, STILL APPLIES.
 OTHER – See comments below.

SUMMARY
 This bill would exempt certain corporations and limited liability companies (LLCs) owned solely by a deployed member of the U.S. Armed Forces from the \$800 annual tax or minimum franchise tax.

SUMMARY OF AMENDMENTS
 The July 15, 2010, amendments resolved the technical considerations discussed in the department’s analysis of the bill as amended June 30, 2010. (See Appendix A). The remainder of the department’s analysis of the bill as amended June 30, 2010, still applies.

POSITION
 Pending.

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APPENDIX A

RESOLVED TECHNICAL CONSIDERATIONS

Technical Considerations Discussed In The Department's Analysis Of The Bill As Amended June 30, 2010.

This bill would exempt LLCs doing business in the state from paying the \$800 annual tax, but it would not exempt LLCs that are organized and registered in the state from paying the \$800 annual tax. If this is not the intent of the author, the following amendments are necessary:

- On page 3, line 13, strikeout "subdivision (a)" and insert "this section".
- On page 3, line 16, strikeout "subdivision (a)" and insert "this section".