

SUMMARY ANALYSIS OF AMENDED BILL

Author: Leno Analyst: Deborah Barrett Bill Number: SB 10
 Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: July 8, 2009
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Voter Approved Local Assessment Deduction/FTB Report To Department Of Motor Vehicles Amount Of Revenue Loss Incurred By The State

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
 December 1, 2008, STILL APPLIES.

OTHER – See comments below.

SUMMARY

This bill would require the Franchise Tax Board (FTB) to report to the Department of Motor Vehicles (DMV) the estimated revenue loss as a result of deductions taken by residents of any county that has passed a voter approved local vehicle assessment.

This bill also contains provisions for the imposition of a voter approved local assessment, which do not impact FTB and are not discussed in this analysis.

SUMMARY OF AMENDMENTS

The July 8, 2009, amendments would remove provisions allowing a different assessment for low emission vehicles and would modify language instructing the DMV and FTB to work out a reporting process for FTB to receive information from DMV regarding payments of the additional vehicle assessments paid. The "This Bill" discussion is revised and "Technical Considerations" have been added. The remainder of the department's analysis of the bill as introduced December 1, 2008, still applies.

Board Position:	Asst. Legislative Director	Date
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POSITION

Pending.

THIS BILL

This bill would enact the Local Assessment Act, which would authorize any county, including the City and County of San Francisco, to impose, upon voter approval, a local assessment on specified vehicles of residents of the county.

This bill would require a county to contract with DMV for the administration and collection of the assessment. This bill would require DMV, on a quarterly basis, to provide FTB with the aggregate total amount of local assessments paid by residents of each county that has enacted the local vehicle assessment. This bill would define terms such as "board of supervisors," "county," "department," "market value," "person," and "voter-approved local assessment."

This bill would require that on or before January 1 of the second year after the tax is imposed, FTB must report to DMV an estimate of the revenue loss to the state for the prior year resulting from deductions taken under the Personal Income Tax Law and the Corporation Tax Law for taxes paid or incurred as a result of the assessment. The bill would specify that DMV and FTB are to coordinate a reporting process for FTB to obtain this information from DMV to assist FTB in the calculation of the estimate of revenue loss to the state from taxpayers deducting the additional fee from their income tax returns.

This bill would require DMV to transmit an amount equal to the revenue loss to the state from the vehicle assessments collected for deposit into the General Fund.

TECHNICAL CONSIDERATIONS

Because the local vehicle assessment would be an annual assessment, the bill should be amended to require FTB's report to be a recurring annual report.

On page 6, line 10, after "part," insert "and annually thereafter".

LEGISLATIVE STAFF CONTACT

Legislative Analyst
Deborah Barrett
(916) 845-4301
deborah.barrett@ftb.ca.gov

Revenue Director
Jay Chamberlain
(916) 845-3375
jay.chamberlain@ftb.ca.gov

Asst. Legislative Director
Patrice Gau-Johnson
(916) 845-5521
patrice.gau-johnson@ftb.ca.gov