

Author: Romero Analyst: David Scott Bill Number: SB 1316
 Related Bills: See Prior Analysis Telephone: 845-5806 Amended Date: August 17, 2010
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Low Income Community Investment Credit/Non-recognized Gain Does Not Include Out-Of-State Property Exchanges

____ ANALYSIS NOT REQUIRED of this bill – Not within scope of responsibility of this department.

____ TECHNICAL BILL – No program or fiscal changes to existing program.

____ BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.

____ TECHNICAL AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is _____.

____ MINOR AMENDMENT – Remainder of previous analysis of the bill as amended X August 2, 2010, still applies.

____ MINOR AMENDMENT – No change in approved position of _____.
 See Comments below

X OTHER – See comments below.

SUMMARY

This bill would do the following:

- Provision 1: This provision would provide a California New Markets Tax credit for investments in businesses that provide capital or loans to low-income communities.
- Provision 2: This provision would deny non-recognition treatment for like-kind exchanges, where gains and losses are deferred on the transaction, for exchanges of California real property for out-of-state real property.

COMMENTS:

The August 17, 2010, amendments added appropriation language for the California Tax Credit Allocation Committee and made other technical changes. The amendments would not impact the department’s programs or operations, or state income tax revenues. The analysis of the bill as amended August 2, 2010, still applies.

Board Position:	Franchise Tax Board Staff	Date
_____ S _____ NA _____ NP _____ SA _____ O <u> X </u> NAR _____ N _____ OUA _____ PENDING	David Scott	08/19/10