

**REVISED ANALYSIS**

Author: Ducheny Analyst: Angela Raygoza Bill Number: SB 96  
 Related Bills: See Legislative History Telephone: 845-7814 Original Analysis Date: January 26, 2009  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** PIT Rates/Modify To 9%, 9.5%, 10%, 10.5%, 11% & 8.5% AMT Rate Beginning On Or After January 1, 2009

REVENUE ESTIMATE CHANGED.  
 FURTHER CONCERNS IDENTIFIED.  
 REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED  
 January 26, 2009, STILL APPLIES.  
 OTHER – See comments below.

**SUMMARY OF BILL**

This bill would modify and add personal income tax (PIT) rates of 9 percent, 9.5 percent, 10 percent 10.5 percent, and 11 percent and would increase the alternative minimum tax (AMT) rate for PIT taxpayers to 8.5 percent.

**SUMMARY OF REVISION**

The revenue estimate contained in the department’s analysis of the bill as introduced January 26, 2009, has been revised because the Department of Finance (DOF) has provided the Franchise Tax Board (FTB) with new estimates for economic variables. The remainder of the department’s analysis remains the same.

**POSITION**

Pending.

Board Position:	Legislative Director	Date
<input type="checkbox"/> S <input type="checkbox"/> NA <input type="checkbox"/> NP <input type="checkbox"/> SA <input type="checkbox"/> O <input type="checkbox"/> NAR <input type="checkbox"/> N <input type="checkbox"/> OUA <input checked="" type="checkbox"/> PENDING	Brian Putler	06/08/09

## ECONOMIC IMPACT

### Original Revenue Estimate

Estimated Revenue Impact of SB 96 Effective On or After January 1, 2009 Enactment Assumed After June 30, 2009 (\$ in Billions)			
Add brackets, increase AMT	2009-10	2010-11	2011-12
	\$2.1	\$2.8	\$4.0

### Revised Revenue Estimate

Revised Estimated Revenue Impact of SB 96 Effective On or After January 1, 2009 Enactment Assumed After June 30, 2009 (\$ in Billions)			
Add brackets, increase AMT	2009-10	2010-11	2011-12
	\$1.2	\$1.9	\$2.9

### Revised Revenue Discussion

The revenue estimate for this bill would depend on the underlying forecast of the performance of the California economy. In March, it was estimated that the revenue effect of this bill would be \$2.1 billion in fiscal year 2009-10, \$2.8 billion in fiscal year 2010-11, and \$4.0 billion in fiscal year 2011-12. Because of the May Revision of the Governor's Budget, the DOF has provided FTB with new estimates for economic variables used in the estimate for SB 96. The revenue estimate for this bill have been revised to reflect this new information.

## LEGISLATIVE STAFF CONTACT

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