

SUMMARY ANALYSIS OF AMENDED BILL

Author: Allen, et al. Analyst: Jessica Matus Bill Number: AB 1195
 Related Bills: See Prior Analysis Telephone: 845-6310 Amended Date: May 24, 2011
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Modify Jobs Tax Credit

SUMMARY

This bill would expand the current Jobs Tax Credit to taxpayers that employ 50 or fewer employees for taxable years beginning on or after January 1, 2011.

RECOMMENDATION AND SUPPORTING ARGUMENTS

No position.

SUMMARY OF AMENDMENTS

The May 24, 2011, amendments would do the following:

- Add back the anti-abuse rules contained in the original law;
- Change the definition of “qualified employer” for taxable years beginning on or after January 1, 2011;
- Remove provisions that would have allowed an additional credit for the two succeeding years after an employee was hired;
- Remove provisions that would have allowed the credit only in years that California’s unemployment rate reached or exceeded 7 percent; and
- Add several co-authors.

As a result of the amendments, the “Implementation Considerations,” “Technical Considerations,” and “Policy Concern” provided in the analysis of the bill as amended May 10, 2011, have been resolved. The “This Bill” and “Economic Impact” discussions have been revised. Except for the discussion provided in this analysis, the remainder of the analysis of the bill as amended March 31, 2011, still applies.

ANALYSIS

THIS BILL

For taxable years beginning on or after January 1, 2011, this bill would change the existing Jobs Tax Credit to define a qualified employer as one that as of the previous taxable year employs 50 or fewer employees.

Board Position:	Asst. Legislative Director	Date
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_____ NAR		
	Patrice Gau-Johnson	06/06/11

ECONOMIC IMPACT

Revenue Estimate

Estimated Revenue Impact of AB 1195 For Taxable Years Beginning On or After January 1, 2011 Enactment Assumed After June 30, 2011 (\$ in Millions)				
2011-12	2012-13	2013-14	2014-15	2015-16
-\$75.0	-\$50.0	-\$6.4	+\$37.0	+\$18.0

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill.

SUPPORT/OPPOSITION

Support: None provided.

Opposition: None provided.

LEGISLATIVE STAFF CONTACT

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