

**SHORT FORM ANALYSIS**

Author: Gatto Analyst: David Scott Bill Number: AB 2540  
 Related Bills: \_\_\_\_\_ Telephone: 845-5806 Amended Date: April 9, 2012  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Exclusion 20 Percent of Business Income

Major Amendment  Minor/Technical Amendment  
 Recommended  Approved Position of \_\_\_\_\_ still valid.

**SUMMARY**

This bill would do the following:

- Impose a sales tax on specified services;
- For personal income taxpayers, exclude the lesser of 20 percent or \$10,000 of business income from a trade or business conducted by a taxpayer or pass-thru entity; and
- Appropriate \$30 million, annually, to the Department of Veterans Affairs for the operations of two Veterans' Homes.

**ANALYSIS**

Minor/Technical Amendment

The April 9, 2012 amendments added language to appropriate \$30 million annually for the Department of Veterans Affairs. These changes would not affect the Franchise Tax Board.

**LEGISLATIVE STAFF CONTACT**

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Board Position:	Interim Legislative Director	Date
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_____ SA	Titus Toyama	04/16/12
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