

# SUMMARY ANALYSIS OF AMENDED BILL

Author: Maienschein Analyst: Jane Raboy Bill Number: AB 922  
 Related Bills: See Prior Analysis Telephone: 845-5718 Amended Date: June 25, 2014  
 Attorney: Bruce Langston Sponsor \_\_\_\_\_

<b>SUBJECT:</b>	Disaster Loss Deduction/Excess Loss Carryover/May 2014 San Diego County Wildfires
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## SUMMARY

This bill would, under the Personal Income Tax Law and Corporation Tax Law, allow disaster loss treatment for losses sustained as a result of severe wildfires in San Diego County.

## RECOMMENDATION

No position.

## SUMMARY OF AMENDMENTS

The June 25, 2014, amendments resolved all of the department's technical and implementation considerations by accepting the amendments suggested in the department's analysis of the bill as amended May 29, 2014.

Except for "This Bill" section the remainder of the department's analysis of the bill as amended May 29, 2014, still applies. The "Fiscal Impact" and "Economic Impact" sections are restated for convenience.

## THIS BILL

This bill would make Internal Revenue Code (IRC) Section 165(i) applicable to losses sustained in the County of San Diego that resulted from wildfires in May 2014.

IRC Section 165(i) allows a taxpayer to elect to deduct in the prior tax year losses attributable to a federally declared disaster, and requires that the taxpayer report all related losses that qualify for the election on the prior year tax return (original or amended.) The election under IRC Section 165(i) could be made on a return or amended return filed on or before the due date of the return (including the extended due date) for the taxable year in which the disaster occurred.

Additionally, any law that suspends, defers, reduces or otherwise diminishes the deduction of a net operating loss shall not apply to a net operating loss attributable to a loss sustained in the County of San Diego as a result of the wildfires that occurred in May 2014.

## FISCAL IMPACT

This bill would not significantly impact the department's costs.

Board Position:	Asst. Legislative Director	Date
_____ S _____ NA _____ X _____ NP	Jahna Carlson	7/11/14
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_____ N _____ OUA _____		

## ECONOMIC IMPACT

### Revenue Estimate

Estimated Revenue Impact of AB 922 As Amended June 25, 2014 Assumed Enactment After June 30, 2014		
2013-14	2014-15	2015-16
-\$7,000	\$3,000	\$3,000

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

### SUPPORT/OPPOSITION<sup>1</sup>

Support: None provided.

Opposition: None provided.

### LEGISLATIVE STAFF CONTACT

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<sup>1</sup> As noted in the Senate Governance & Finance Committee bill analysis hearing dated June 18, 2014.