Franchise Tax Board

SUMMARY ANALYSIS OF AMENDED BILL

Author: Calderon, et al. Analyst: Scott McFarlane Bill Number: SB 30

Related Bills: See Prior Analysis Telephone: 845-6075 Amended Date: May 30, 2013

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Mortgage Forgiveness Debt Relief

SUMMARY

This bill would extend the state exclusion of mortgage forgiveness debt relief for one year, through 2013.

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

The May 30, 2013, amendments would provide that this bill would only become operative if SB 391[1] (DeSaulnier, et al., 2013/2014) is enacted and takes effect. As a result, the "Effective/Operative Date" section is revised, as shown below. The remainder of the department's analysis of the bill as amended May 28, 2013, still applies, and the "This Bill" section is restated below for convenience.

EFFECTIVE/OPERATIVE DATE

As an urgency measure, this bill would be effective immediately, and would become specifically operative for discharges of indebtedness occurring on or after January 1, 2013, only if SB 391 (DeSaulnier, et al., 2013/2014) is enacted and takes effect.

---

[1] SB 391, as amended May 20, 2013, would generally impose a fee of $75 on the recording of every real-estate-related document required or permitted by law to be recorded, except for those documents recorded in connection with a transfer subject to a documentary transfer tax, and would direct the money to SB 391's newly-created California Homes and Jobs Trust Fund, beginning January 1, 2014.

Board Position:			Legislative Director	Date
______ S	______ NA	__X__ NP		
______ SA	______ O	______ NAR	Gail Hall	8/2/13
______ N	______ OUA			

ANALYSIS

THIS BILL

This bill would extend California's modified conformity to mortgage forgiveness debt relief for one year, through 2013. Specifically:

- The California exclusion would be extended to apply to discharges occurring on or after January 1, 2013, and before January 1, 2014,
- The maximum amount of qualified principal residence indebtedness would be $800,000 ($400,000 in the case of a married/registered domestic partner (RDP) individual filing a separate return), and
- The total amount excludable from gross income would be limited to $500,000 ($250,000 in the case of a married/RDP individual filing a separate return).

LEGISLATIVE STAFF CONTACT

Scott McFarlane	Mandy Hayes	Gail Hall
Legislative Analyst, FTB	Revenue Manager, FTB	Legislative Director, FTB
(916) 845-6075	(916) 845-5125	(916) 845-6333
scott.mcfarlane@ftb.ca.gov	mandy.hayes@ftb.ca.gov	gail.hall@ftb.ca.gov