

REVISED ANALYSIS

Author: Granlund

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Bill Number: AB 1232

Related Bills: See Prior Analyses Telephone: 845-3036

Amended Date: 5/21/97

Attorney: Doug Bramhall

Sponsor:

SUBJECT: Jobs Tax Credit

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO support.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED May 21, 1997, STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

Under the Personal Income Tax Law (PITL) and the Bank and Corporation Tax Law (B&CTL), this bill would enact a credit for employers equal to 25% of the first \$10,000 of wages paid to each eligible individual who fills a new position. An "eligible individual" is one who has been receiving welfare benefits, was unemployed for the 90 days immediately preceding employment with the taxpayer, and is a registrant under the Greater Avenues for Independence (GAIN) program or is a recipient of Aid to Families with Dependent Children (AFDC). The credit would not be allowed to exceed \$2,500 per employee per year, or \$2,500 in the aggregate for each employee.

SUMMARY OF REVISION

On July 21, 1997, the Franchise Tax Board voted to change its position from "oppose, unless amended" to "support," since this bill was amended to resolve the Board's concerns regarding job creation. The remainder of the department's prior analysis of the bill as amended May 21, 1997, still applies.

DEPARTMENTS THAT MAY BE AFFECTED:

___ STATE MANDATE

___ GOVERNOR'S APPOINTMENT

Department Director Position:

S ___ O
___ SA ___ OUA
___ N ___ NP
___ NA ___ NAR
___ PENDING

Agency Secretary Position:

___ S ___ O
___ SA ___ OUA
___ N ___ NP
___ NA ___ NAR
DEFER TO _____

GOVERNOR'S OFFICE USE

Position Approved ___
Position Disapproved ___
Position Noted ___

Legislative Director Date

Johnnie Lou Rosas 7/25/97

Agency Secretary Date

By: Date: