

CALIFORNIA FRANCHISE TAX BOARD

Legal Ruling No. 368

January 3, 1974

PAYMENTS RECEIVED BY PERSONS REQUIRED TO VACATE REAL PROPERTY

Syllabus:

Advice has been requested as to whether reasonable relocation expenses are exempt as income for California personal income tax purposes when those payments were received in accordance with Public Law 91-646.

Public Law 91-646, § 216, specifically excluded such payments from being considered as income under the Internal Revenue Code of 1954. California enacted similar legislation under California Government code § 7269, effective September 6, 1969. Section 7269 states that no payment received by any person under this chapter shall be considered as income for the purposes of the personal income tax law. Further, neither shall such payments be considered as income or resources to any recipient of public assistance, and such payments shall not be deducted from the amount of aid to which the recipient would otherwise be entitled.

Therefore, relocation payments made in accordance with Public Law 91-646 are not included in the taxpayer's gross income for California personal income tax purposes under California Government Code § 7269.