

# Legislative Matter PowerPoint

Franchise Tax Board Meeting

Friday, September 23, 2022

## Slide 1: Legislative Matter

### Legislative Recap

Presenter Name: Denis Armstrong – Finance and Executive Services Division  
September 23, 2022

## Slide 2: Economic Relief Bill – Senate Bill (SB) 113

- Pass-Through Entity Election Tax and credit modifications
  - Tentative minimum tax (TMT)
  - Credit ordering
  - Guaranteed payments
  - Increasing eligible entities
- Water and Utility Relief Gross Income exclusions
- Restaurant Revitalization and Shuttered Venue exclusions
- Repeal of Net Operating Loss (NOL) Deduction Suspension and Credit Limitation

## Slide 3: Enacted Trailer Bills

- Assembly Bill (AB) 192 – Middle Class Tax Refund
- Assembly Bill (AB) 194 – Budget Bill
  - Offsets exemption for California Earned Income and Young Child Tax Credits
  - Main Street Small Business Tax Credits
  - Homeless Hiring Tax Credit
  - California Competes Tax Credit Extension
  - Paycheck Protection Program conformity
  - One-Time Penalty Abatement

## Slide 4: Enacted Trailer Bills (continued)

- Assembly Bill (AB) 195 – Cannabis Tax Credits
  - Both credits start for tax years beginning on or after January 1, 2023
- Senate Bill (SB) 201 – Earned Income Tax Credit / Young Child Tax Credit / Foster Youth Tax Credit
  - New Foster Youth Tax Credit
  - Zero earned income
  - Computational changes

## Slide 5: Other Updates

- Legislative proposal update

- One-time penalty abatement
- FTB seeking authors for legislative proposals
  - Modifying the Research Credit to achieve modified federal conformity
  - Taxation of income from incomplete non-grantor trusts
  - Installment agreements
- Continue to monitor bill developments

**Slide 6: Questions?**

**Slide 7: Public Comment**