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**