

ANALYSIS OF ORIGINAL BILL

Franchise Tax Board

Author: Sher Analyst: Kimberly Pantoja Bill Number: SB 1158

Related Bills: See Legislative Telephone: 845-4786 Introduced Date: 02/26/99

History Attorney: Doug Bramhall Sponsor: _____

SUBJECT: Salmon & Steelhead Trout Habitat Restoration Credit/Extends Repeal Date

SUMMARY

This bill would extend the repeal date five years for the salmon and steelhead trout habitat restoration credit.

EFFECTIVE DATE

This bill would apply to taxable and income years beginning on or after January 1, 1999.

LEGISLATIVE HISTORY

AB 1254 (1999); SB 301, AB 1291 (97/98); SB 846 (Stats. 1996, Ch. 166); AB 2925 (Stats. 1994, Ch. 1296).

SPECIFIC FINDINGS

Existing state law allows a tax credit equal to 10% of the qualified costs paid or incurred for salmon and steelhead trout habitat restoration and improvement projects. For purposes of computing the credit, taxpayers are required to reduce project costs by the amount of any grant or cost-share payment provided for the project by a public entity.

Credits are certified and allocated by the Department of Fish and Game. The maximum aggregate amount of credits that may be allocated in any one year is \$500,000. The maximum credit that may be allocated to any one taxpayer in any year is \$50,000.

Any amount of the credit in excess of the taxpayer's tax liability may be carried over until exhausted. This credit is available for taxable or income years beginning before January 1, 2000.

This bill would extend the repeal date of the credit from January 1, 2000, to January 1, 2005.

Implementation Considerations

Implementation of this bill would not significantly impact the department.

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	_____ <input checked="" type="checkbox"/> PENDING

Department Director

Date

Gerald Goldberg

4/1/1999

FISCAL IMPACT

Departmental Costs

This bill is not expected to impact the department's costs.

Tax Revenue Estimate

The amount of qualified costs paid or incurred in taxable and income years beginning after January 1, 2000, for salmon and steelhead trout habitat restoration and improvement projects, the amount of credits allocated, and the amount of credits that can be applied to reduce tax liabilities would determine the revenue impact of this bill. Based on credit allocation data from the Department of Fish and Game, credits on the order of **\$100,000** have been allocated for each of the four years to date that the credit has been available to taxpayers. Under this bill, comparable losses would likely continue through the 2004-05 fiscal year.

This analysis does not consider the possible changes in employment, personal income, or gross state product that could result from this measure.

BOARD POSITION

Pending.