

NO ANALYSIS REQUIRED

Franchise Tax Board

Author: Speier Analyst: Roger Lackey Bill Number: SB 42

Related Bills: See Prior Analysis Telephone: 845-3627 Amended Date: 05-28-99

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Health Insurance Deduction Conformity/Phasein 100% Deduction

- ANALYSIS NOT REQUIRED of this bill -- Not within scope of responsibility of this department.
- TECHNICAL BILL -- No program or fiscal changes to existing program.
- BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.
- TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
- MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is _____.
- MINOR AMENDMENT - No change in approved position of Pending. See comments below.
- OTHER - See comments below.

COMMENTS:

This bill would provide that for taxable years beginning on or after January 1, 1999, California law would conform to federal law with regard to the incremental phase-in of a 100% deduction for self-employed health insurance costs.

The May 28, 1999, amendment resolved the technical concern identified in the department's prior analysis by amending the language to reference the federal Tax and Trade Relief Extension Act of 1998 rather than the Taxpayer Relief Act of 1997.

The amendment also deleted the bill's provision regarding General Fund forecasting. However, the department did not previously analyze that provision as it does not impact the department's programs and operations.

Except as discussed above, the department's analysis of SB 42 as amended April 29, 1999, still applies.

Board Position:

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

Franchise Tax Board Staff Date

Roger Lackey **6/4/1999**