

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Villaraigosa Analyst: Kristina E. North Bill Number: AB 1080

Related Bills: See Prior Analysis Telephone: 845-6978 Amended Date: July 3, 2000

Attorney: Patrick Kusiak Sponsor:

**SUBJECT:** Community Development Corporation Contributions Credit

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as amended July 1, 1999.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 25, 1999 AND AMENDED April 28, May 28, and July 1, 1999, and April 24, 2000, STILL APPLIES.

OTHER - See comments below.

### SUMMARY OF BILL

Under the Personal Income Tax Law (PITL) and the Bank and Corporation Tax Law (B&CTL), this bill would allow a credit for 50% of the amount contributed to an eligible community development corporation.

### SUMMARY OF AMENDMENT

The July 3, 2000, amendment deleted low-income housing credit provisions from the bill and made no other changes.

Except for the changes discussed in this analysis, and the new tax revenue estimate, the remainder of the department's bill analyses of the bill as introduced February 25, 1999, and amended April 28, May 28, and July 1, 1999, and April 24, 2000, still applies. The technical considerations and board position are restated below.

### TECHNICAL CONSIDERATIONS

The July 1, 1999, amendments made differing changes to subdivision (a) of the PITL section and subdivision (a) of the B&CTL sections. Amendment 1 would change the B&CTL section to be consistent with the PITL.

The July 1, 1999, amendments also made a technical change to the PITL, but inadvertently did not make the same change to the B&CTL. Amendment 2 would make the change in the B&CTL provisions.

### Tax Revenue Estimate

The removal of the low-income housing provisions eliminated the revenue losses attributed to the proposed increase in that credit.

#### 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 checked="" type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

7/18/00

**BOARD POSITION**

Neutral.

At its July 6, 1999, meeting, the Franchise Tax Board voted 2-0 to take a neutral position on the community development corporation credit provided by this bill, as amended May 28, 1999.

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FRANCHISE TAX BOARD'S  
PROPOSED AMENDMENTS TO AB 1080  
As Amended July 3, 2000

**AMENDMENT 1**

On page 41, lines 27 and 28, ~~strikeout "contribution allocated a tax credit"~~ and insert:

contribution, certified

**AMENDMENT 2**

On page 44, lines 35 and 36, ~~strikeout "paid or incurred"~~ and insert:  
made