

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Reyes Analyst: Kristina North Bill Number: AB 1811

Related Bills: See Prior Analysis Telephone: 845-6978 Amended Date: 5/30/2000

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Farmworker Housing 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 introduced/amended _____.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO _____.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED FEBRUARY 3, 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 make several changes to the farmworker housing credit for construction or rehabilitation of qualified farmworker housing. Specifically, this bill would:

- make the farmworker housing credit subject to the allocation limitations under the federal low-income housing credit;
- allow the farmworker housing credit to be claimed when the building is placed in service (or sooner under certain conditions), rather than requiring the credit to be claimed when the farmworker housing is occupied; and
- allow the taxpayer to request certification after paying or incurring costs, rather than requiring certification first.

This analysis does not discuss the bill's provision regarding the regulatory authority of the California Tax Credit Allocation Committee as it does not impact this department.

SUMMARY OF AMENDMENT

The May 30, 2000, amendments deleted the prior provisions of the bill, which would have repealed the farmworker housing credits for construction or rehabilitation of qualified farmworker housing and for commercial lenders for a portion of the foregone interest income on related loans. The amendments also deleted the provision which would have added \$500,000 for farmworker housing under the low-income housing credit provisions.

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

Legislative Director

Date

Johnnie Lou Rosas

6/14

The May 30th amendments added the provisions discussed in this analysis.

The technical considerations identified in the department's prior analysis have been resolved by the amendments. New implementation considerations and revenue estimate are provided below. Other than the issues discussed in this analysis, the department's analysis of the bill as introduced February 3, 2000, still applies.

SPECIFIC FINDINGS

Implementation Considerations

This bill would make the farmworker housing credit subject to the allocation limitation under the federal low-income housing credit. The wording of this provision is unclear, and it is not known how this language would be interpreted by the California Tax Credit Allocation Committee when it allocates credit amounts.

Implementation of the bill's other changes to the farmworker housing credit would not significantly impact the department.

Tax Revenue Estimate

This bill would not change the maximum aggregate credit allocation amount and would not impact state income tax revenue.

BOARD POSITION

Pending.