

Franchise Tax Board

NO ANALYSIS REQUIRED

Author: Campbell Analyst: Jeani Brent Bill Number: AB 2592

Related Bills: See Prior Analysis Telephone: 845-3410 Amended Date: 04/25/2000

Attorney: Patrick Kusiak Sponsor:

SUBJECT: Research Expenses Credit/Increase to 20% of Excess Expenses/Minimum Base Not Less Than 20%

- 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.
[X] TECHNICAL AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is Pending.
MINOR AMENDMENT - No change in previously submitted analysis required. Approved position of prior analysis is
MINOR AMENDMENT - No change in approved position of See comments below.
OTHER - See comments below.

COMMENTS:

Under the Personal Income Tax Law and the Bank and Corporation Tax Law, this bill would increase the state credit for "qualified research expenses" from 12% to 20% and would decrease the minimum threshold for the taxpayer's base amount in computing the research expenses credit from not less than 50% to not less than 20% of the taxpayer's current year qualified research expenditures.

The April 25, 2000, amendments resolved the department's technical consideration by accepting the amendments suggested in the department's analysis of the bill as introduced February 25, 2000. Except for the technical consideration, the department's analysis of the bill as introduced February 25, 2000, still applies.

Board Position:

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N OUA X PENDING

Franchise Tax Board Staff

Date

Christy Keith 5/2/00