

# ANALYSIS OF ORIGINAL BILL

Author: Gallagher Analyst: Diane Deatherage Bill Number: AB 731  
 Related Bills: None Telephone: 845-4783 Introduced Date: February 25, 2015  
 Attorney: Bruce Langston Sponsor \_\_\_\_\_

<b>SUBJECT:</b>	Code Maintenance
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## SUMMARY

This bill would make numerous technical, non-substantive changes as a matter of code maintenance to various California codes, including to the Revenue and Taxation Code (R&TC).

This analysis is limited to discussion of the changes that would affect the department.

## RECOMMENDATION

No position.

## REASON FOR THE BILL

The reason for this bill is to prevent confusion in applying state law by correcting nomenclature, cross-references, amending terminology for clarification, amending provisions to reflect the current style for drafting legislation, and renumbering and repealing several provisions in the R&TC.

## EFFECTIVE/OPERATIVE DATE

If enacted during the 2015 legislative session, this bill would become effective and operative on January 1, 2016, unless another act chaptered in 2015 that takes effect on or before January 1, 2016, amends or repeals a provision that would be amended or repealed by this bill, in which case, the changes made by the other act would prevail and nullify the changes made by this bill.

## FEDERAL/STATE LAW

As sections of state law are amended, references to those sections in other parts of the law are sometimes not updated to reflect the amendment. In addition, provisions enacted in earlier years may not reflect the current legislative style for drafting legislation.

Incorrect nomenclature, cross-references, unclear terminology, and language that is inconsistent with the current style for drafting legislation can create confusion for taxpayers and the department when applying state law.

Board Position:				Executive Officer	Date
<u>S</u>	<u>NA</u>	<u>X</u>	<u>NP</u>	Selvi Stanislaus	03/26/15
<u>SA</u>	<u>O</u>	<u>_____</u>	<u>NAR</u>		
<u>N</u>	<u>OUA</u>	<u>_____</u>	<u>_____</u>		

**THIS BILL**

This bill would make the changes shown in the following table to correct nomenclature, cross-references, amend terminology for clarification, amend provisions to reflect the current style for drafting legislation, renumber sections, and repeal sections.

R&TC Section	Nomenclature Correction	Cross Reference	Amend Terminology	Style Change	Renumber	Repeal
17053.34	X	X		X		
17053.46		X		X		
17053.73	X	X		X		
17053.74	X	X		X		
17058	X	X		X		
17132.6						X
17141					X	
17155						X
17207.7		X		X		
17207.8		X		X		
17276.20		X		X	X	
17276.21		X		X		
17507.6						X
17565						X
Part 10 Chpt 10.5 Heading						X
18407						X
18805			X	X		
18807			X			
18808			X			
19183		X		X		
19191			X	X		
19255			X	X		
Part 10.2 Chpt 9.5						X
23151			X			
Part 11 Chpt 3 Heading						X
23610.5	X			X		
23622.7	X			X		
23626	X	X		X		
23634	X			X		
23732		X		X		
24347.6		X		X		
24347.10		X		X		
24355.4					X	

<b>24416.20</b>		<b>X</b>		<b>X</b>	<b>X</b>	
<b>24416.21</b>		<b>X</b>				
<b>24661.3</b>						<b>X</b>
<b>24685.5</b>						<b>X</b>
<b>24989</b>						<b>X</b>

**IMPLEMENTATION CONSIDERATIONS**

Implementing this bill would not significantly impact the department.

**TECHNICAL CONSIDERATIONS**

Page 717, line 39 through page 720 line 29, contains several amendments that would change the word "Officer" to "Officers", but the change is inconsistently made throughout those pages. Also, the author may wish to consider making the same amendment in R&TC section 18806, where the California Peace Officer Memorial Foundation Fund was established.

The amendment on page 692, lines 10 and 11 would change the cross-reference to Internal Revenue Code (IRC) section from "42(b)(1)(A)" to "42(b)(1)(B)" for the Personal Income Tax provision related to Low-income Housing Credit, for internal consistency, the corresponding Corporation Tax Law section should be amended on page 732, line 10 to refer to IRC section "42(b)(1)(B)."

The amendment on page 776, line 5, would renumber R&TC section 24355.4 as section 24355.5, a number that is already in use. The author may want to use an available code section number to avoid duplication or, alternatively, combine both versions of section 24355.4 as subdivisions of a single section 24344.5.

**FISCAL IMPACT**

This bill would not impact the department's costs.

**ECONOMIC IMPACT**

The provisions in this bill would not impact the state's personal income or corporation tax revenues.

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill.

**SUPPORT/OPPOSITION**

Support: None provided.

Opposition: None provided.

## **ARGUMENTS**

Proponents: Some may argue that technical code maintenance increases the ease of understanding the state's laws.

Opponents: Some may argue that correcting technical issues should be addressed when reviewing changes to the tax system as a whole.

## **LEGISLATIVE STAFF CONTACT**

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