

**ADDENDUM TO FINAL STATEMENT OF REASONS
PROPOSED AMENDMENTS TO REGULATION SECTIONS 17951-4 AND 25137-1,
PERTAINING TO APPORTIONMENT OF PARTNERSHIP INCOME**

The following nonsubstantive changes have been made:

1. In the proposed amendments to California Code of Regulations, title 18, (CCR) section 25137-1 (g)(2), in the second sentence, the word "taxable" has been underlined, and the word "income" has been inserted in strikethrough. This change has been made to properly reflect the amendment to the language changing "income year" to "taxable year" which was made for consistency with the appropriate statutory terminology, as explained in the Initial Statement of Reasons. The revised second sentence, now reads as follows:

The taxpayer's distributive share of such business income attributable to this state (if any) shall be added to the taxpayer's other business income apportioned to this state plus nonbusiness income, if any, allocable to this state, the total of which is the taxpayer's measure of tax for its taxable ~~income~~ year.

2. In the proposed amendments to CCR section 25137-1(h), in the title for the subsection, the phrase "for Unitary Business" has been underlined. This change has been made to properly reflect newly added text clarifying the subject matter of the subsection and distinguishing the subsection from CCR section 25137-1(i) which has the same subsection title in the original text. The revised title for the subsection, now reads as follows:

(h) Apportionment of Business Income-Long-Term Construction Contracts for Unitary Business.

3. In the proposed amendments to CCR section 25137-1(i), in the title for the subsection, the phrase "for Non Unitary Business " has been underlined. This change has been made to properly reflect newly added text clarifying the subject matter of the subsection and distinguishing the subsection from CCR section 25137-1(h) which has the same subsection title in the original text. The revised title for the subsection, now reads as follows:

(i) Apportionment of Business Income-Long-Term Construction Contracts for Non Unitary Business.