

**Legal Division Guidance 2010-11-02**

(Operative Date for Conformity to Disaster Mitigation Payment Exclusions)

Q: What is the operative date of California conformity to the Disaster Mitigation Payment Exclusions added by SB 401 (Stats. 2010, ch. 14)?

A: Under the Personal Income Tax Law, conformity to the changes under both IRC sections 139 and 1033 is achieved by the change to the "specified date" in RTC section 17024.5, whereas under the Corporation Tax Law conformity to IRC section 139 is achieved under Section 66 of SB 401 by adding a new Section 24329 to the RTC and to IRC section 1033 by the change to the "specified date." The operative date for both the Personal Income Tax Law and the Corporation Tax Law changes is found in Section 91 of SB 401, which specifies that the changes are declaratory of existing law and that the operative dates for the provisions relating to Disaster Mitigation Payment Exclusions shall be the same as under federal law (Section 1 of the Disaster Mitigation Payments Act of 2005, P.L. 109-7). As a result, these changes apply to amounts received, and sales or other dispositions made, before, on, or after the date of enactment of the federal legislation (April 15, 2005).