

AMENDED IN ASSEMBLY APRIL 17, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 166**

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**Introduced by Assembly Member Cedillo**

February 5, 2001

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An act to add and repeal Sections 17057 and 23610.2 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 166, as amended, Cedillo. Personal income and bank and corporation tax credits: rehabilitation.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2001, and before January 1, 2011, in an amount, determined pursuant to a specified section of the Internal Revenue Code, that is paid or incurred during the taxable year for rehabilitation of historic buildings. This bill would provide for a 25% credit for rehabilitation of a certified historic structure within a redevelopment area.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 17057 is added to the Revenue and  
2 Taxation Code, to read:

3 17057. For each taxable year beginning on or after January 1,  
4 2001, and before January 1, 2011, there shall be allowed as a credit  
5 against the “net tax,” as defined in Section 17039, an amount  
6 determined in accordance with Section 47 of the Internal Revenue  
7 Code, except as follows:

8 (a) The applicable percentage shall be 25 percent for any  
9 certified rehabilitation of a certified historic structure within a  
10 redevelopment area. *For purposes of this section, “redevelopment*  
11 *area” means a geographical area within this state that has been*  
12 *designated by the local redevelopment agency pursuant to Part 1*  
13 *(commencing with Section 33000) of Division 24 of the Health and*  
14 *Safety Code, as a redevelopment area.*

15 (b) *The credit provided by this section may only apply to*  
16 *expenditures with respect to a qualified rehabilitated building*  
17 *located within this state.*

18 (c) *No deduction may be allowed under this part for any cost*  
19 *for which a credit is allowed by this section.*

20 (d) *If a credit is determined under this section with respect to*  
21 *any property, the basis of that property shall be reduced by the*  
22 *amount of the credit determined.*

23 (e) In the case where the credit allowed by this section exceeds  
24 the “net tax,” the excess may be carried over to reduce the “net  
25 tax” in the following year, and *the seven* succeeding years if  
26 necessary, until the credit is exhausted.

27 ~~(e)~~

28 (f) This section shall remain in effect only until December 1,  
29 2011, and as of that date is repealed.

30 SEC. 2. Section 23610.2 is added to the Revenue and Taxation  
31 Code, to read:

32 23610.2. For each taxable year beginning on or after January  
33 1, 2001, and before January 1, 2011, there shall be allowed as a  
34 credit against the “tax,” as defined in Section 23036, an amount  
35 determined in accordance with Section 47 of the Internal Revenue  
36 Code, except as follows:

37 (a) The applicable percentage shall be 25 percent for any  
38 certified rehabilitation of a certified historic structure within a



1 redevelopment area. *For purposes of this section, “redevelopment*  
2 *area” means a geographical area within this state that has been*  
3 *designated by the local redevelopment agency pursuant to Part 1*  
4 *(commencing with Section 33000) of Division 24 of the Health and*  
5 *Safety Code, as a redevelopment area.*

6 (b) *The credit provided by this section may only apply to*  
7 *property located within this state.*

8 (c) *No deduction may be allowed under this part for any cost*  
9 *for which a credit is allowed by this section.*

10 (d) *If a credit is determined under this section with respect to*  
11 *any property, the basis of that property shall be reduced by the*  
12 *amount of the credit determined.*

13 (e) *In the case where the credit allowed by this section exceeds*  
14 *the “tax,” the excess may be carried over to reduce the “tax” in*  
15 *the following year, and the seven succeeding years if necessary,*  
16 *until the credit is exhausted.*

17 ~~(e)~~

18 (f) *This section shall remain in effect only until December 1,*  
19 *2011, and as of that date is repealed.*

20 SEC. 3. *This act provides for a tax levy within the meaning of*  
21 *Article IV of the Constitution and shall go into immediate effect.*

