

AMENDED IN SENATE APRIL 3, 2001

SENATE BILL

No. 1121

Introduced by Senator Margett

February 23, 2001

An act to add Sections 17053.87 and 23687 to the Revenue and Taxation Code, and to ~~add Section 1281.5 to amend Section 2653 of the Unemployment Insurance Code,~~ relating to unemployment compensation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1121, as amended, Margett. Income and corporation tax work opportunity credits: ~~unemployment~~ *disability* benefits.

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 allow a credit, in conformity to federal income tax laws, as provided, in an amount equal to 40% of qualified wages paid to individuals who are qualified state disability insurance recipients, as provided.

Existing law provides ~~unemployment compensation benefits for qualified eligible unemployed individuals of a maximum of 26 times the individual's weekly benefit amount, as defined. It also provides extended unemployment compensation benefits for qualified eligible individuals who had specified earnings and provides federal-state extended unemployment compensation benefits for qualified eligible individuals who had specified earnings~~ *that the maximum amount of benefits payable to an individual during any one disability benefit period is 52 weeks times his or her weekly benefit amount, as provided.*

This bill would provide extended unemployment compensation ~~benefits~~ *disability insurance* for an additional 26 times an individual's

weekly benefit amount for any unemployed individual who is enrolled in a to complete approved job training or occupational rehabilitation program and whose benefits will be exhausted prior to completion of the program, as specified. Unemployment compensation disability benefits are paid from the Unemployment Disability Fund, a continuously appropriated special fund, and thus by providing additional benefits, this bill would make an appropriation.

Vote: $\frac{2}{3}$ majority. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 17053.87 is added to the Revenue and
2 Taxation Code, to read:

3 17053.87. ~~There~~ For each taxable year beginning on or after
4 January 1, 2001, there shall be allowed as a credit against the “net
5 tax,” as defined by Section 17039, an amount determined in
6 accordance with Section 51 of the Internal Revenue Code, relating
7 to work opportunity credit, except that the term “members of
8 targeted groups” shall mean only those individuals who are
9 qualified for state disability insurance in this state.

10 SEC. 2. Section 23687 is added to the Revenue and Taxation
11 Code, to read:

12 23687. ~~There~~ For each taxable year beginning on or after
13 January 1, 2001, there shall be allowed as a credit against the
14 “tax,” as defined by Section 23036, an amount determined in
15 accordance with Section 51 of the Internal Revenue Code, relating
16 to work opportunity credit, except that the term “members of
17 targeted groups” shall mean only those individuals who are
18 qualified for state disability insurance in this state.

19 ~~SEC. 3. Section 1281.5 is added to the Unemployment~~
20 ~~Insurance Code, to read:~~

21 ~~1281.5. Any unemployed individual who is enrolled in a job~~
22 ~~training or occupational rehabilitation program, as described by~~
23 ~~the director, whose benefits under this part will be exhausted prior~~
24 ~~to the completion of the job training or occupational rehabilitation~~
25 ~~program, is eligible for an additional 26 times his or her weekly~~
26 ~~benefit amount.~~

27 SEC. 3. Section 2653 of the Unemployment Insurance Code
28 is amended to read:



1 2653. (a) Except as provided in *subdivision (b) and Sections*
2 708 and 708.5, the maximum amount of benefits payable to an
3 individual during any one disability benefit period shall be 52
4 times his or her weekly benefit amount, but in no case shall the total
5 amount of the benefits payable be more than the total wages paid
6 to the individual during his or her disability base period. If the
7 benefit is not a multiple of one dollar (\$1) it shall be computed to
8 the next higher multiple of one dollar (\$1).

9 (b) *Any individual who is receiving unemployment*
10 *compensation disability insurance and who meets all of the*
11 *following criteria is eligible for up to an additional 26 times his or*
12 *her weekly benefit amount, if necessary, to complete approved job*
13 *training or occupational rehabilitation:*

14 (1) *The individual has received unemployment compensation*
15 *disability insurance for at least 26 weeks.*

16 (2) *The individual applies for an extension of benefits pursuant*
17 *to this subdivision no later than the 40th week of receiving benefits*
18 *under this article.*

19 (3) *The individual enrolls or applies for enrollment in a job*
20 *training or occupational rehabilitation program that relates to an*
21 *occupation or skill for which there are or expected to be in the*
22 *future reasonable employment opportunities in the labor market*
23 *area in this state in which the individual intends to seek work and*
24 *there is not a substantial surplus of workers with the requisite skills*
25 *in the occupation in that area.*

26 (4) *The job training or occupational rehabilitation program is*
27 *designed to train the applicant in skills that will allow him or her*
28 *to obtain immediate employment and is not primarily intended to*
29 *meet the requirements of any degree from a college, community*
30 *college, or university.*

31 (5) *The individual can be reasonably expected to participate in*
32 *and complete the job training or occupational rehabilitation*
33 *program successfully.*

34 (6) *The job training or occupational rehabilitation program is*
35 *one that is approved by the director and can be completed within*
36 *one year.*

37 (7) *The individual's benefits under this part will be exhausted*
38 *prior to the completion of the job training or occupational*
39 *rehabilitation program.*



1 This section shall apply to periods of disability commencing on
2 or after January 1, 1984.

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