

AMENDED IN SENATE APRIL 16, 2002

SENATE BILL

No. 1691

Introduced by Senator Margett

February 21, 2002

~~An act to amend Section 17071 of the Revenue and Taxation Code, relating to taxation. An act to add Section 17053.51 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1691, as amended, Margett. ~~Income taxes: adjusted gross income~~ *Personal income taxes: long-term care.*

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would allow a credit for 30% of the amount paid or incurred by the taxpayer for long-term care or long-term care insurance for the taxpayer or any parent of the taxpayer, up to \$300 per taxpayer.

This bill would take effect immediately as a tax levy.

~~The Personal Income Tax Law conforms with federal law with respect to the definition of adjusted gross income, except as otherwise provided.~~

~~This bill would make a technical, nonsubstantive change to those provisions.~~

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

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

1 ~~SECTION 1. Section 17071 of the Revenue and Taxation~~
2 ~~Code is amended to read:~~

1 ~~17071. Section 61 of the Internal Revenue Code, relating to~~
2 ~~gross income defined, applies, except as otherwise provided in this~~
3 ~~part.~~

4 SECTION 1. Section 17053.51 is added to the Revenue and
5 Taxation Code, to read:

6 17053.51. (a) For taxable years beginning on or after
7 January 1, 2003, there shall be allowed as a credit against the “net
8 tax,” as defined in Section 17039, an amount equal to 30 percent
9 of the amount paid or incurred by the taxpayer during the taxable
10 year for the cost of long-term care or long-term care insurance for
11 the taxpayer or any parent of the taxpayer. The credit shall not
12 exceed three hundred dollars (\$300) per taxpayer, or six hundred
13 dollars (\$600) for taxpayers filing jointly.

14 (b) For purposes of this section “long-term care insurance”
15 shall be defined by Section 7702B(b) of the Internal Revenue
16 Code.

17 (c) For purposes of this section “parent” shall be defined as the
18 natural, biological, or adoptive mother or father of the taxpayer.

19 (d) The long-term care facility or home care giver shall provide
20 the taxpayer with written verification, specifying the name of the
21 taxpayer, payments made for the long-term care, the name of the
22 individual receiving the long-term care, and the time period
23 covered.

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

28 SEC. 2. This act provides for a tax levy within the meaning of
29 Article IV of the Constitution and shall go into immediate effect.

