

AMENDED IN ASSEMBLY MARCH 15, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 274

Introduced by Assembly Member Coto

February 9, 2007

An act to add Sections 17053.15 and 23615 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 274, as amended, Coto. Taxation: credit: brownfield cleanup.

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

This bill would authorize a credit against those taxes for a qualified “brownfield” property owner, *as specified*, for each taxable year beginning on or after January 1, 2007, in an amount equal to the costs paid or incurred to clean up a polluted brownfield property, as defined, *located in California* to a satisfactory level, as evidenced by a written certification of completion, as defined.

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 17053.15 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.15. (a) For each taxable year beginning on or after
- 4 January 1, 2007, there shall be allowed to a qualified “brownfield”
- 5 property owner, *who operates a small business*, as a credit against

1 the “net tax,” as defined in Section 17039, an amount equal to the
 2 costs paid or incurred during the taxable year to clean up a polluted
 3 “brownfield” property, *located in California*, to a satisfactory level,
 4 as evidenced by a written certification of completion.

5 (b) For purposes of this section:

6 ~~(1) “Brownfield property” means a property as defined in~~
 7 ~~paragraph (2) of subdivision (a) of Section 25395.20 of the Health~~
 8 ~~and Safety Code.~~

9 (1) “Brownfield property” means either of the following:

10 (A) A property as defined in Section 44504.1 of the Health and
 11 Safety Code.

12 (B) A property that is contaminated by petroleum.

13 (2) “Written certification of completion” means an evaluation
 14 by the Department of Toxic Substances Control of the effectiveness
 15 of a removal or remedial action conducted by a responsible party,
 16 to reduce or eliminate actual or potential public health and
 17 environmental threats posed by a hazardous substance release site
 18 if the action itself is not the subject of oversight by the Department
 19 of Toxic Substances Control.

20 (3) “Small business” has the same meaning as set forth in
 21 subdivision (d) of Section 14837 of the Government Code.

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

26 SEC. 2. Section 23615 is added to the Revenue and Taxation
 27 Code, to read:

28 23615. (a) For each taxable year beginning on or after January
 29 1, 2007, there shall be allowed to a qualified “brownfield” property
 30 owner, *who operates a small business*, as a credit against the “tax,”
 31 as defined in Section 23036, an amount equal to the costs paid or
 32 incurred during the taxable year to clean up a polluted “brownfield”
 33 property, *located in California*, to a satisfactory level, as evidenced
 34 by a written certification of completion.

35 (b) For purposes of this section:

36 ~~(1) “Brownfield property” means a property as defined in~~
 37 ~~paragraph (2) of subdivision (a) of Section 25395.20 of the Health~~
 38 ~~and Safety Code.~~

39 (1) “Brownfield property” means either of the following:

1 (A) *A property as defined in Section 44504.1 of the Health and*
2 *Safety Code.*

3 (B) *A property that is contaminated by petroleum.*

4 (2) “Written certification of completion” means an evaluation
5 by the Department of Toxic Substances Control of the effectiveness
6 of a removal or remedial action conducted by a responsible party,
7 to reduce or eliminate actual or potential public health and
8 environmental threats posed by a hazardous substance release site
9 if the action itself is not the subject of oversight by the Department
10 of Toxic Substances Control.

11 (3) “*Small business*” has the same meaning as set forth in
12 *subdivision (d) of Section 14837 of the Government Code.*

13 (c) 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 succeeding years if necessary, until the
16 credit is exhausted.

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

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