

AMENDED IN ASSEMBLY MAY 1, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 287

Introduced by Assembly Member Nava

February 9, 2007

An act to add Sections 17053.36 and 23636 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 287, as amended, Nava. Personal income and corporation taxes: credits: freeze relief: wages.

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

This bill would additionally authorize a tax credit for each taxable year beginning on or after January 1, 2007, *and before January 1, 2009*, to a qualified taxpayer, *as defined*, who is an agricultural employer ~~that conducted an active agricultural~~, *as defined*, whose trade or business *was reduced by over 50%* in a county that had a state of emergency, as declared by the Governor, as a result of extreme low temperatures and freezing conditions that began on January 11, 2007, in an amount equal to 40% of the amount of wages paid to a qualified employee, as defined.

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

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 17053.36 is added to the Revenue and
2 Taxation Code, to read:

3 17053.36. (a) For each taxable year beginning on or after
4 January 1, 2007, *and before January 1, 2009*, there shall be allowed
5 to a qualified taxpayer as a credit against the “net tax,” as defined
6 by Section 17039, an amount equal to 40 percent of the amount
7 of wages paid to each qualified employee.

8 (b) The credit under this section shall not apply to wages paid
9 in excess of six thousand dollars (\$6,000) during a taxable year
10 by a qualified taxpayer to the same individual.

11 (c) For purposes of this section:

12 (1) “Qualified county” means a county that is included in the
13 state of emergency, as declared by the Governor, as a result of
14 extreme low temperatures and freezing conditions that began on
15 January 11, 2007.

16 (2) “Qualified employee” means an agricultural employee of a
17 qualified taxpayer whose principal place of employment on January
18 12, 2007, with the qualified taxpayer was in a qualified county.

19 (3) “Qualified taxpayer” means any agricultural employer ~~that~~
20 ~~conducted an active agricultural trade or business, as defined in~~
21 ~~Section 1140.4 of the Labor Code, in a qualified county and whose~~
22 ~~trade or business in that qualified county was inoperable~~ *reduced*
23 *by more than 50 percent, as claimed on the statement of loss forms*
24 *submitted by the qualified taxpayer to the qualified taxpayer’s*
25 *respective county agricultural commissioner, on any day on and*
26 *after January 12, 2007, as a result of damage sustained in*
27 *connection with the extreme low temperatures and freezing*
28 *conditions that began on January 11, 2007, for which a state of*
29 *emergency was declared by the Governor.*

30 (d) If the credit allowed by this section exceeds the “net tax,”
31 the excess may be carried over to reduce the “net tax” in the
32 ~~following year, and succeeding years if necessary until the credit~~
33 *following year, and in the succeeding eight years, if necessary,*
34 *until the credit is exhausted.*

35 SEC. 2. Section 23636 is added to the Revenue and Taxation
36 Code, to read:

37 23636. (a) For each taxable year beginning on or after January
38 1, 2007, *and before January 1, 2009*, there shall be allowed to a

1 qualified taxpayer as a credit against the “tax,” as defined by
2 Section 23036, an amount equal to 40 percent of the amount of
3 wages paid to each qualified employee.

4 (b) The credit under this section shall not apply to wages paid
5 in excess of six thousand dollars (\$6,000) during a taxable year
6 by a qualified taxpayer to the same individual.

7 (c) For purposes of this section:

8 (1) “Qualified county” means a county that is included in the
9 state of emergency, as declared by the Governor, as a result of
10 extreme low temperatures and freezing conditions that began on
11 January 11, 2007.

12 (2) “Qualified employee” means an agricultural employee of a
13 qualified taxpayer whose principal place of employment on January
14 12, 2007, with the qualified taxpayer was in a qualified county.

15 (3) “Qualified taxpayer” means any agricultural employer ~~that~~
16 ~~conducted an active agricultural trade or business, as defined in~~
17 *Section 1140.4 of the Labor Code*, in a qualified county ~~and~~ whose
18 trade or business in that qualified county was ~~inoperable~~ *reduced*
19 *by more than 50 percent, as claimed on the statement of loss forms*
20 *submitted by the qualified taxpayer to qualified taxpayer’s*
21 *respective county agricultural commissioner, on any day on and*
22 *after January 12, 2007, as a result of damage sustained in*
23 *connection with the extreme low temperatures and freezing*
24 *conditions that began on January 11, 2007, for which a state of*
25 *emergency was declared by the Governor.*

26 (d) If the credit allowed by this section exceeds the “tax,” the
27 excess may be carried over to reduce the “tax” in the following
28 year, ~~and succeeding years if necessary until the credit is exhausted.~~
29 *year, and in the succeeding eight years, if necessary, until the*
30 *credit is exhausted.*

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