

AMENDED IN ASSEMBLY APRIL 28, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

ASSEMBLY BILL

No. 2114

Introduced by Assembly Members Villines and Ma

February 20, 2008

~~An act to amend Section 25128 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy. An act relating to taxation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2114, as amended, Villines. The Corporation Tax Law: allocation and apportionment.

The Corporation Tax Law imposes taxes measured by income and, in the case of a business with income derived from, or attributable to, sources both within and without this state, apportions the income between this state and other states and foreign countries in accordance with a specified 4-factor formula, except as otherwise provided.

~~This bill, for taxable years beginning on or after January 1, 2008, would allow a taxpayer that is a member of the apportioning trade or business to elect, by contracting with the Franchise Tax Board, as provided, to apportion its business income to this state by utilizing one of the revised apportionment formulas, as specified would declare the Legislature's intent to enact legislation that would, for purposes of apportionment of income in computing income taxes of apportioning trades or businesses, modify the sales factor in a manner to retain and attract businesses to, and create jobs in, California.~~

~~This bill would take effect immediately as a tax levy.~~

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

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

1 *SECTION 1. The Legislature declares its intent to enact*
2 *legislation that would, for purposes of apportionment of income*
3 *in computing income taxes of apportioning trades or businesses,*
4 *modify the sales factor in a manner to retain and attract businesses*
5 *to, and create jobs in, California.*

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**All matter omitted in this version of the bill
appears in the bill as introduced in the
Assembly, February 20, 2008 (JR11)**