

AMENDED IN ASSEMBLY MAY 1, 2008

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 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 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 require the Department of Finance to conduct a study to determine the impact of a change in current law, addressing the apportionment of income in computing the corporate income taxes of trades or businesses, that would modify the sales factor in a manner best suited to retaining and attracting businesses to, and creating new jobs in, California.~~

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. The Department of Finance shall conduct a study*
- 2 *to determine the impact of a change in current law, addressing*
- 3 *the apportionment of income in computing the corporate income*
- 4 *taxes of trades or businesses, that would modify the sales factor*
- 5 *in a manner best suited to retaining and attracting businesses to,*
- 6 *and creating new jobs in, California.*
- 7 ~~SECTION 1. The Legislature declares its intent to enact~~
- 8 ~~legislation that would, for purposes of apportionment of income~~
- 9 ~~in computing income taxes of apportioning trades or businesses,~~
- 10 ~~modify the sales factor in a manner to retain and attract businesses~~
- 11 ~~to, and create jobs in, California.~~