

AMENDED IN ASSEMBLY APRIL 3, 2008

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2934**

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**Introduced by Assembly Member Charles Calderon**

February 22, 2008

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~~An act to amend Section 23151 of the Revenue and Taxation Code, relating to taxation.~~ *An act to amend Section 38570 of the Health and Safety Code, relating to air pollution.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2934, as amended, Charles Calderon. ~~Corporation taxes.~~ *California Global Warming Solutions Act of 2006: market-based compliance mechanisms: state parks and forests.*

*The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions levels in 1990 to be achieved by 2020, and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The state board is authorized to adopt market-based compliance mechanisms, as defined, meeting specified requirements to be used for compliance with those regulations.*

*This bill would require the state board to establish market-based compliance mechanisms for compliance with the regulations that include auctioning credits to sources subject to those regulations for the maintenance and restoration of state forests and state parklands.*

~~The Corporation Tax Law requires every corporation, except as provided, to pay a tax according to, or measured by, its net income or, if greater, a specified minimum tax.~~

~~This bill would make technical, nonsubstantive changes 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 38570 of the Health and Safety Code is  
2     amended to read:

3     38570. (a) The state board may include in the regulations  
4     adopted pursuant to Section 38562 the use of market-based  
5     compliance mechanisms to comply with the regulations, *in addition*  
6     *to the mechanisms required by subdivision (d).*

7     (b) Prior to the inclusion of any market-based compliance  
8     mechanism in the regulations, *including those required by*  
9     *subdivision (d), to the extent feasible and in furtherance of*  
10    achieving the statewide greenhouse gas emissions limit, the state  
11    board shall do all of the following:

12    (1) Consider the potential for direct, indirect, and cumulative  
13    emission impacts from these mechanisms, including localized  
14    impacts in communities that are already adversely impacted by air  
15    pollution.

16    (2) Design any market-based compliance mechanism to prevent  
17    any increase in the emissions of toxic air contaminants or criteria  
18    air pollutants.

19    (3) Maximize additional environmental and economic benefits  
20    for California, as appropriate.

21    (c) The state board shall adopt regulations governing ~~how the~~  
22    *manner in which* market-based compliance mechanisms may be  
23    used by regulated entities subject to greenhouse gas emission limits  
24    and mandatory emission reporting requirements to achieve  
25    compliance with their greenhouse gas emissions limits.

26    (d) *The state board shall establish market-based compliance*  
27    *mechanisms for compliance with the regulations adopted pursuant*  
28    *to Section 38562 that shall include auctioning credits to sources*  
29    *subject to those regulations for the maintenance and restoration*  
30    *of state forests and state parks that reduce greenhouse gas*

1 *emissions. The state board shall adopt protocols that maximize*  
2 *the use of state forest and state parklands for compliance.*

3 SECTION 1. ~~Section 23151 of the Revenue and Taxation Code~~  
4 ~~is amended to read:~~

5 ~~23151. (a) With the exception of banks and financial~~  
6 ~~corporations, every corporation doing business within the limits~~  
7 ~~of this state and not expressly exempted from taxation by the~~  
8 ~~California Constitution or by this part, shall annually pay to the~~  
9 ~~state, for the privilege of exercising its corporate franchises within~~  
10 ~~this state, a tax according to or measured by its net income, to be~~  
11 ~~computed at the rate of 7.6 percent upon the basis of its net income~~  
12 ~~for the next preceding income year, or if greater, the minimum tax~~  
13 ~~specified in Section 23153.~~

14 ~~(b) For calendar or fiscal years ending after June 30, 1973, the~~  
15 ~~rate of tax shall be 9 percent instead of 7.6 percent as provided by~~  
16 ~~subdivision (a).~~

17 ~~(c) For calendar or fiscal years ending in 1980 to 1986, inclusive,~~  
18 ~~the rate of tax shall be 9.6 percent.~~

19 ~~(d) For calendar or fiscal years ending in 1987 to 1996,~~  
20 ~~inclusive, and for any income year beginning before January 1,~~  
21 ~~1997, the tax rate shall be 9.3 percent.~~

22 ~~(e) For any income year beginning on or after January 1, 1997,~~  
23 ~~the tax rate shall be 8.84 percent. The change in rate provided in~~  
24 ~~this subdivision shall be made without proration otherwise required~~  
25 ~~by Section 24251.~~

26 ~~(f) (1) For the first taxable year beginning on or after January~~  
27 ~~1, 2000, the tax imposed under this section shall be the sum of~~  
28 ~~both of the following:~~

29 ~~(A) A tax according to or measured by net income, to be~~  
30 ~~computed at the rate of 8.84 percent upon the basis of the net~~  
31 ~~income for the next preceding income year, but not less than the~~  
32 ~~minimum tax specified in Section 23153.~~

33 ~~(B) A tax according to or measured by net income, to be~~  
34 ~~computed at the rate of 8.84 percent upon the basis of the net~~  
35 ~~income for the first taxable year beginning on or after January 1,~~  
36 ~~2000, but not less than the minimum tax specified in Section 23153.~~

37 ~~(2) Except as provided in paragraph (1), for each taxable year~~  
38 ~~beginning on or after January 1, 2000, the tax imposed under this~~  
39 ~~section shall be a tax according to or measured by net income, to~~  
40 ~~be computed at the rate of 8.84 percent upon the basis of the net~~

- 1 ~~income for that taxable year, but not less than the minimum tax~~
- 2 ~~specified in Section 23153.~~

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