

AMENDED IN ASSEMBLY JULY 12, 2007

SENATE BILL

No. 38

Introduced by Senator Battin

December 11, 2006

An act to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.110, 195.111, and 195.112 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 38, as amended, Battin. Disaster relief.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the County of Riverside, which was declared by the Governor to be in a state of emergency due to wildfires that occurred in October 2006.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing these counties for these property tax revenue reductions, this bill would make an appropriation.

(2) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would provide that any dwelling that qualified for the exemption prior to October 26, 2006, that was damaged or destroyed by the wildfires in the County of Riverside, as declared by the Governor in October 2006, and that has not changed ownership since October 26, 2006, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to wildfires.

The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the County of Riverside as a result of the wildfires that occurred in October

2006. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(4) (A) *This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by SB 114 and AB 62, to be operative only if SB 114, AB 62, and this bill are all enacted, all 3 bills amend the respective sections, and this bill is enacted after SB 114 and AB 62.*

(B) *This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by SB 114, to be operative only if SB 114 and this bill are both enacted, each bill amends the respective sections, AB 62 is not enacted, or if enacted, does not amend those sections, and this bill is enacted after SB 114.*

(C) *This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by AB 62, to be operative only if AB 62 and this bill are both enacted, each bill amends the respective sections, SB 114 is not enacted, or if enacted, does not amend those sections, and this bill is enacted after AB 62.*

(4)

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: yes.

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

1 SECTION 1. Section 195.110 is added to the Revenue and
2 Taxation Code, to read:
3 195.110. (a) By September 30, 2007, the ~~auditors~~ auditor of
4 the County of ~~Riverside~~ of Riverside, which was the subject of the
5 Governor’s proclamation of a state of emergency for the wildfires
6 that commenced on October 26, 2006, shall certify to the Director
7 of Finance an estimate of the total amount of the reduction in
8 property tax revenues on both the regular secured roll and the
9 supplemental roll for the 2006–07 fiscal year resulting from the
10 reassessment by the county assessor pursuant to paragraph (1) of
11 subdivision (a) of Section 170 of those properties that are eligible
12 properties as a result of that disaster, except that the amount
13 certified shall not include any estimated property tax revenue

1 reductions to school districts, other than basic state aid school
2 districts, and county offices of ~~education~~ education.

3 (b) For purposes of this section, “basic state aid school district”
4 means any school district that does not receive a state
5 apportionment pursuant to subdivision (h) of Section 42238 of the
6 Education Code, but receives from the state only a basic
7 apportionment pursuant to Section 6 of Article IX of the California
8 Constitution.

9 SEC. 2. Section 195.111 is added to the Revenue and Taxation
10 Code, to read:

11 195.111. After the county auditor of an eligible county, as
12 described in Section 195.110, has made the applicable certification
13 to the Director of Finance pursuant to that section, the director
14 shall within 30 days after verification of the county auditor’s
15 estimate, certify this amount to the Controller for allocation to the
16 county. Upon receipt of certification from the Director of Finance,
17 the Controller shall make the appropriate allocation to the county
18 within 10 working days.

19 SEC. 3. Section 195.112 is added to the Revenue and Taxation
20 Code, to read:

21 195.112. (a) On or before June 30, 2008, each eligible county,
22 as described in Section 195.110, shall compute and remit to the
23 Controller for deposit in the General Fund an amount equal to the
24 amount allocated to it by the Controller pursuant to Section
25 195.111, less the actual amount of its property tax revenue lost on
26 the regular secured and supplemental rolls with respect to those
27 eligible properties described in Section 195.110 as a result of the
28 reassessment of those properties pursuant to paragraph (1) of
29 subdivision (a) of Section 170, excluding any property tax revenue
30 lost by school districts, other than basic state aid school districts,
31 and county offices of education. If the actual amount of property
32 tax revenue lost by an eligible county in the immediately preceding
33 fiscal year, as described and limited in the preceding sentence,
34 exceeds the amount allocated by the Controller to that county
35 pursuant to Section 195.108, the Controller shall allocate the
36 amount of that excess to that eligible county.

37 (b) For purposes of this section, “basic state aid school district”
38 means any school district that does not receive a state
39 apportionment pursuant to subdivision (h) of Section 42238 of the
40 Education Code, but receives from the state only a basic

1 apportionment pursuant to Section 6 of Article IX of the California
2 Constitution.

3 SEC. 4. Section 218 of the Revenue and Taxation Code is
4 amended to read:

5 218. (a) The homeowners' property tax exemption is in the
6 amount of the assessed value of the dwelling specified in this
7 section, as authorized by subdivision (k) of Section 3 of Article
8 XIII of the Constitution. That exemption shall be in the amount
9 of seven thousand dollars (\$7,000) of the full value of the dwelling.

10 (b) The exemption does not extend to property that is rented,
11 vacant, under construction on the lien date, or that is a vacation or
12 secondary home of the owner or owners, nor does it apply to
13 property on which an owner receives the veteran's exemption.

14 (c) For purposes of this section, all of the following apply:

15 (1) "Owner" includes a person purchasing the dwelling under
16 a contract of sale or who holds shares or membership in a
17 cooperative housing corporation, which holding is a requisite to
18 the exclusive right of occupancy of a dwelling.

19 (2) (A) "Dwelling" means a building, structure, or other shelter
20 constituting a place of abode, whether real property or personal
21 property, and any land on which it may be situated. A two-dwelling
22 unit shall be considered as two separate single-family dwellings.

23 (B) "Dwelling" includes the following:

24 (i) A single-family dwelling occupied by an owner thereof as
25 his or her principal place of residence on the lien date.

26 (ii) A multiple-dwelling unit occupied by an owner thereof on
27 the lien date as his or her principal place of residence.

28 (iii) A condominium occupied by an owner thereof as his or her
29 principal place of residence on the lien date.

30 (iv) Premises occupied by the owner of shares or a membership
31 interest in a cooperative housing corporation, as defined in
32 subdivision (i) of Section 61, as his or her principal place of
33 residence on the lien date. Each exemption allowed pursuant to
34 this subdivision shall be deducted from the total assessed valuation
35 of the cooperative housing corporation. The exemption shall be
36 taken into account in apportioning property taxes among owners
37 of share or membership interests in the cooperative housing
38 corporations so as to benefit those owners who qualify for the
39 exemption.

1 (d) Any dwelling that qualified for an exemption under this
2 section prior to October 20, 1991, that was damaged or destroyed
3 by fire in a disaster, as declared by the Governor, occurring on or
4 after October 20, 1991, and before November 1, 1991, and that
5 has not changed ownership since October 20, 1991, shall not be
6 disqualified as a “dwelling” or be denied an exemption under this
7 section solely on the basis that the dwelling was temporarily
8 damaged or destroyed or was being reconstructed by the owner.

9 (e) Any dwelling that qualified for an exemption under this
10 section prior to October 15, 2003, that was damaged or destroyed
11 by fire or earthquake in a disaster, as declared by the Governor,
12 during October, November, or December 2003, and that has not
13 changed ownership since October 15, 2003, shall not be
14 disqualified as a “dwelling” or be denied an exemption under this
15 section solely on the basis that the dwelling was temporarily
16 damaged or destroyed or was being reconstructed by the owner.

17 (f) Any dwelling that qualified for an exemption under this
18 section prior to June 3, 2004, that was damaged or destroyed by
19 flood in a disaster, as declared by the Governor, during June 2004,
20 and that has not changed ownership since June 3, 2004, shall not
21 be disqualified as a “dwelling” or be denied an exemption under
22 this section solely on the basis that the dwelling was temporarily
23 damaged or destroyed or was being reconstructed by the owner.

24 (g) Any dwelling that qualified for an exemption under this
25 section prior to August 11, 2004, that was damaged or destroyed
26 by the wildfires and any other related casualty that occurred in
27 Shasta County in a disaster, as declared by the Governor, during
28 August 2004, and that has not changed ownership since August
29 11, 2004, shall not be disqualified as a “dwelling” or be denied an
30 exemption under this section solely on the basis that the dwelling
31 was temporarily damaged or destroyed or was being reconstructed
32 by the owner.

33 (h) Any dwelling that qualified for an exemption under this
34 section prior to December 28, 2004, that was damaged or destroyed
35 by severe rainstorms, floods, mudslides, or the accumulation of
36 debris in a disaster, as declared by the Governor, during December
37 2004, January 2005, February 2005, March 2005, or June 2005,
38 and that has not changed ownership since December 28, 2004,
39 shall not be disqualified as a “dwelling” or be denied an exemption
40 under this section solely on the basis that the dwelling was

1 temporarily damaged or destroyed or was being reconstructed by
2 the owner, or was temporarily uninhabited as a result of restricted
3 access to the property due to floods, mudslides, the accumulation
4 of debris, or washed-out or damaged roads.

5 (i) Any dwelling that qualified for an exemption under this
6 section prior to December 19, 2005, that was damaged or destroyed
7 by severe rainstorms, floods, mudslides, or the accumulation of
8 debris in a disaster, as declared by the Governor in January 2006,
9 April 2006, May 2006, or June 2006, and that has not changed
10 ownership since December 19, 2005, shall not be disqualified as
11 a “dwelling” or be denied an exemption under this section solely
12 on the basis that the dwelling was temporarily damaged or
13 destroyed or was being reconstructed by the owner, or was
14 temporarily uninhabited as a result of restricted access to the
15 property due to floods, mudslides, the accumulation of debris, or
16 washed-out or damaged roads.

17 (j) Any dwelling that qualified for an exemption under this
18 section prior to July 9, 2006, that was damaged or destroyed by
19 the wildfires and any other related casualty that occurred in the
20 County of San Bernardino, as declared by the Governor in July
21 2006, and that has not changed ownership since July 9, 2006, shall
22 not be disqualified as a “dwelling” or be denied an exemption
23 under this section solely on the basis that the dwelling was
24 temporarily damaged or destroyed or was being reconstructed by
25 the owner, or was temporarily uninhabited as a result of restricted
26 access to the property due to the wildfires.

27 (k) Any dwelling that qualified for an exemption under this
28 section prior to October 26, 2006, that was damaged or destroyed
29 by the wildfires and any other related casualty that occurred in the
30 County of Riverside, as declared by the Governor in October 2006,
31 and that has not changed ownership since October 26, 2006, shall
32 not be disqualified as a “dwelling” or be denied an exemption
33 under this section solely on the basis that the dwelling was
34 temporarily damaged or destroyed or was being reconstructed by
35 the owner, or was temporarily uninhabited as a result of restricted
36 access to the property due to the wildfires.

37 (l) The exemption provided for in subdivision (k) of Section 3
38 of Article XIII of the Constitution shall first be applied to the
39 building, structure, or other shelter and the excess, if any, shall be
40 applied to any land on which it may be located.

1 *SEC. 4.5. Section 218 of the Revenue and Taxation Code is*
2 *amended to read:*

3 218. (a) The homeowners' property tax exemption is in the
4 amount of the assessed value of the dwelling specified in this
5 section, as authorized by subdivision (k) of Section 3 of Article
6 XIII of the Constitution. That exemption shall be in the amount
7 of seven thousand dollars (\$7,000) of the full value of the dwelling.

8 (b) The exemption does not extend to property that is rented,
9 vacant, under construction on the lien date, or that is a vacation or
10 secondary home of the owner or owners, nor does it apply to
11 property on which an owner receives the veteran's exemption.

12 (c) For purposes of this section, all of the following apply:

13 (1) "Owner" includes a person purchasing the dwelling under
14 a contract of sale or who holds shares or membership in a
15 cooperative housing corporation, which holding is a requisite to
16 the exclusive right of occupancy of a dwelling.

17 (2) (A) "Dwelling" means a building, structure, or other shelter
18 constituting a place of abode, whether real property or personal
19 property, and any land on which it may be situated. A two-dwelling
20 unit shall be considered as two separate single-family dwellings.

21 (B) "Dwelling" includes the following:

22 (i) A single-family dwelling occupied by an owner thereof as
23 his or her principal place of residence on the lien date.

24 (ii) A multiple-dwelling unit occupied by an owner thereof on
25 the lien date as his or her principal place of residence.

26 (iii) A condominium occupied by an owner thereof as his or her
27 principal place of residence on the lien date.

28 (iv) Premises occupied by the owner of shares or a membership
29 interest in a cooperative housing corporation, as defined in
30 subdivision (i) of Section 61, as his or her principal place of
31 residence on the lien date. Each exemption allowed pursuant to
32 this subdivision shall be deducted from the total assessed valuation
33 of the cooperative housing corporation. The exemption shall be
34 taken into account in apportioning property taxes among owners
35 of share or membership interests in the cooperative housing
36 corporations so as to benefit those owners who qualify for the
37 exemption.

38 (d) Any dwelling that qualified for an exemption under this
39 section prior to October 20, 1991, that was damaged or destroyed
40 by fire in a disaster, as declared by the Governor, occurring on or

1 after October 20, 1991, and before November 1, 1991, and that
2 has not changed ownership since October 20, 1991, shall not be
3 disqualified as a “dwelling” or be denied an exemption under this
4 section solely on the basis that the dwelling was temporarily
5 damaged or destroyed or was being reconstructed by the owner.

6 (e) Any dwelling that qualified for an exemption under this
7 section prior to October 15, 2003, that was damaged or destroyed
8 by fire or earthquake in a disaster, as declared by the Governor,
9 during October, November, or December 2003, and that has not
10 changed ownership since October 15, 2003, shall not be
11 disqualified as a “dwelling” or be denied an exemption under this
12 section solely on the basis that the dwelling was temporarily
13 damaged or destroyed or was being reconstructed by the owner.

14 (f) Any dwelling that qualified for an exemption under this
15 section prior to June 3, 2004, that was damaged or destroyed by
16 flood in a disaster, as declared by the Governor, during June 2004,
17 and that has not changed ownership since June 3, 2004, shall not
18 be disqualified as a “dwelling” or be denied an exemption under
19 this section solely on the basis that the dwelling was temporarily
20 damaged or destroyed or was being reconstructed by the owner.

21 (g) Any dwelling that qualified for an exemption under this
22 section prior to August 11, 2004, that was damaged or destroyed
23 by the wildfires and any other related casualty that occurred in
24 Shasta County in a disaster, as declared by the Governor, during
25 August 2004, and that has not changed ownership since August
26 11, 2004, shall not be disqualified as a “dwelling” or be denied an
27 exemption under this section solely on the basis that the dwelling
28 was temporarily damaged or destroyed or was being reconstructed
29 by the owner.

30 (h) Any dwelling that qualified for an exemption under this
31 section prior to December 28, 2004, that was damaged or destroyed
32 by severe rainstorms, floods, mudslides, or the accumulation of
33 debris in a disaster, as declared by the Governor, during December
34 2004, January 2005, February 2005, March 2005, or June 2005,
35 and that has not changed ownership since December 28, 2004,
36 shall not be disqualified as a “dwelling” or be denied an exemption
37 under this section solely on the basis that the dwelling was
38 temporarily damaged or destroyed or was being reconstructed by
39 the owner, or was temporarily uninhabited as a result of restricted

1 access to the property due to floods, mudslides, the accumulation
2 of debris, or washed-out or damaged roads.

3 (i) Any dwelling that qualified for an exemption under this
4 section prior to December 19, 2005, that was damaged or destroyed
5 by severe rainstorms, floods, mudslides, or the accumulation of
6 debris in a disaster, as declared by the Governor in January 2006,
7 April 2006, May 2006, or June 2006, and that has not changed
8 ownership since December 19, 2005, shall not be disqualified as
9 a “dwelling” or be denied an exemption under this section solely
10 on the basis that the dwelling was temporarily damaged or
11 destroyed or was being reconstructed by the owner, or was
12 temporarily uninhabited as a result of restricted access to the
13 property due to floods, mudslides, the accumulation of debris, or
14 washed-out or damaged roads.

15 (j) Any dwelling that qualified for an exemption under this
16 section prior to July 9, 2006, that was damaged or destroyed by
17 the wildfires and any other related casualty that occurred in the
18 County of San Bernardino, as declared by the Governor in July
19 2006, and that has not changed ownership since July 9, 2006, shall
20 not be disqualified as a “dwelling” or be denied an exemption
21 under this section solely on the basis that the dwelling was
22 temporarily damaged or destroyed or was being reconstructed by
23 the owner, or was temporarily uninhabited as a result of restricted
24 access to the property due to the wildfires.

25 (k) *Any dwelling that qualified for an exemption under this*
26 *section prior to the commencement dates listed in the Governor’s*
27 *proclamations of 2006 that was damaged or destroyed by the*
28 *wildfires and any other related casualty that occurred in the*
29 *Counties of Riverside and Ventura, and that has not changed*
30 *ownership since the commencement dates listed in the Governor’s*
31 *proclamations of 2006 shall not be disqualified as a “dwelling”*
32 *or be denied an exemption under this section solely on the basis*
33 *that the dwelling was temporarily damaged or destroyed or was*
34 *being reconstructed by the owner, or was temporarily uninhabited*
35 *as a result of restricted access to the property due to the wildfires.*

36 (l) *Any dwelling that qualified for an exemption under this*
37 *section prior to January 11, 2007, that was damaged or destroyed*
38 *by severe freezing conditions, commencing January 11, 2007, and*
39 *any other related casualty that occurred in the Counties of El*
40 *Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced,*

1 *Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo,*
2 *Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and*
3 *Yuba as a result of a disaster as declared by the Governor, and*
4 *that has not changed ownership since January 11, 2007, shall not*
5 *be disqualified as a “dwelling” or be denied an exemption under*
6 *this section solely on the basis that the dwelling was temporarily*
7 *damaged or destroyed or was being reconstructed by the owner,*
8 *or was temporarily uninhabited as a result of restricted access to*
9 *the property due to severe freezing conditions.*

10 *(m) Any dwelling that qualified for an exemption under this*
11 *section prior to June 24, 2007, that was damaged or destroyed by*
12 *the wildfires and any other related casualty that occurred in the*
13 *County of El Dorado, as declared by the Governor in June 2007,*
14 *and that has not changed ownership since June 24, 2007, shall*
15 *not be disqualified as a “dwelling” or be denied an exemption*
16 *under this section solely on the basis that the dwelling was*
17 *temporarily damaged or destroyed or was being reconstructed by*
18 *the owner, or was temporarily uninhabited as a result of restricted*
19 *access to the property due to the wildfires.*

20 ~~(k)~~

21 *(n) The exemption provided for in subdivision (k) of Section 3*
22 *of Article XIII of the Constitution shall first be applied to the*
23 *building, structure, or other shelter and the excess, if any, shall be*
24 *applied to any land on which it may be located.*

25 *SEC. 4.7. Section 218 of the Revenue and Taxation Code is*
26 *amended to read:*

27 218. (a) The homeowners’ property tax exemption is in the
28 amount of the assessed value of the dwelling specified in this
29 section, as authorized by subdivision (k) of Section 3 of Article
30 XIII of the Constitution. That exemption shall be in the amount
31 of seven thousand dollars (\$7,000) of the full value of the dwelling.

32 (b) The exemption does not extend to property that is rented,
33 vacant, under construction on the lien date, or that is a vacation or
34 secondary home of the owner or owners, nor does it apply to
35 property on which an owner receives the veteran’s exemption.

36 (c) For purposes of this section, all of the following apply:

37 (1) “Owner” includes a person purchasing the dwelling under
38 a contract of sale or who holds shares or membership in a
39 cooperative housing corporation, which holding is a requisite to
40 the exclusive right of occupancy of a dwelling.

1 (2) (A) “Dwelling” means a building, structure, or other shelter
2 constituting a place of abode, whether real property or personal
3 property, and any land on which it may be situated. A two-dwelling
4 unit shall be considered as two separate single-family dwellings.

5 (B) “Dwelling” includes the following:

6 (i) A single-family dwelling occupied by an owner thereof as
7 his or her principal place of residence on the lien date.

8 (ii) A multiple-dwelling unit occupied by an owner thereof on
9 the lien date as his or her principal place of residence.

10 (iii) A condominium occupied by an owner thereof as his or her
11 principal place of residence on the lien date.

12 (iv) Premises occupied by the owner of shares or a membership
13 interest in a cooperative housing corporation, as defined in
14 subdivision (i) of Section 61, as his or her principal place of
15 residence on the lien date. Each exemption allowed pursuant to
16 this subdivision shall be deducted from the total assessed valuation
17 of the cooperative housing corporation. The exemption shall be
18 taken into account in apportioning property taxes among owners
19 of share or membership interests in the cooperative housing
20 corporations so as to benefit those owners who qualify for the
21 exemption.

22 (d) Any dwelling that qualified for an exemption under this
23 section prior to October 20, 1991, that was damaged or destroyed
24 by fire in a disaster, as declared by the Governor, occurring on or
25 after October 20, 1991, and before November 1, 1991, and that
26 has not changed ownership since October 20, 1991, shall not be
27 disqualified as a “dwelling” or be denied an exemption under this
28 section solely on the basis that the dwelling was temporarily
29 damaged or destroyed or was being reconstructed by the owner.

30 (e) Any dwelling that qualified for an exemption under this
31 section prior to October 15, 2003, that was damaged or destroyed
32 by fire or earthquake in a disaster, as declared by the Governor,
33 during October, November, or December 2003, and that has not
34 changed ownership since October 15, 2003, shall not be
35 disqualified as a “dwelling” or be denied an exemption under this
36 section solely on the basis that the dwelling was temporarily
37 damaged or destroyed or was being reconstructed by the owner.

38 (f) Any dwelling that qualified for an exemption under this
39 section prior to June 3, 2004, that was damaged or destroyed by
40 flood in a disaster, as declared by the Governor, during June 2004,

1 and that has not changed ownership since June 3, 2004, shall not
2 be disqualified as a “dwelling” or be denied an exemption under
3 this section solely on the basis that the dwelling was temporarily
4 damaged or destroyed or was being reconstructed by the owner.

5 (g) Any dwelling that qualified for an exemption under this
6 section prior to August 11, 2004, that was damaged or destroyed
7 by the wildfires and any other related casualty that occurred in
8 Shasta County in a disaster, as declared by the Governor, during
9 August 2004, and that has not changed ownership since August
10 11, 2004, shall not be disqualified as a “dwelling” or be denied an
11 exemption under this section solely on the basis that the dwelling
12 was temporarily damaged or destroyed or was being reconstructed
13 by the owner.

14 (h) Any dwelling that qualified for an exemption under this
15 section prior to December 28, 2004, that was damaged or destroyed
16 by severe rainstorms, floods, mudslides, or the accumulation of
17 debris in a disaster, as declared by the Governor, during December
18 2004, January 2005, February 2005, March 2005, or June 2005,
19 and that has not changed ownership since December 28, 2004,
20 shall not be disqualified as a “dwelling” or be denied an exemption
21 under this section solely on the basis that the dwelling was
22 temporarily damaged or destroyed or was being reconstructed by
23 the owner, or was temporarily uninhabited as a result of restricted
24 access to the property due to floods, mudslides, the accumulation
25 of debris, or washed-out or damaged roads.

26 (i) Any dwelling that qualified for an exemption under this
27 section prior to December 19, 2005, that was damaged or destroyed
28 by severe rainstorms, floods, mudslides, or the accumulation of
29 debris in a disaster, as declared by the Governor in January 2006,
30 April 2006, May 2006, or June 2006, and that has not changed
31 ownership since December 19, 2005, shall not be disqualified as
32 a “dwelling” or be denied an exemption under this section solely
33 on the basis that the dwelling was temporarily damaged or
34 destroyed or was being reconstructed by the owner, or was
35 temporarily uninhabited as a result of restricted access to the
36 property due to floods, mudslides, the accumulation of debris, or
37 washed-out or damaged roads.

38 (j) Any dwelling that qualified for an exemption under this
39 section prior to July 9, 2006, that was damaged or destroyed by
40 the wildfires and any other related casualty that occurred in the

1 County of San Bernardino, as declared by the Governor in July
2 2006, and that has not changed ownership since July 9, 2006, shall
3 not be disqualified as a “dwelling” or be denied an exemption
4 under this section solely on the basis that the dwelling was
5 temporarily damaged or destroyed or was being reconstructed by
6 the owner, or was temporarily uninhabited as a result of restricted
7 access to the property due to the wildfires.

8 *(k) Any dwelling that qualified for an exemption under this*
9 *section prior to October 26, 2006, that was damaged or destroyed*
10 *by the wildfires and any other related casualty that occurred in*
11 *the County of Riverside, as declared by the Governor in October*
12 *2006, and that has not changed ownership since October 26, 2006,*
13 *shall not be disqualified as a “dwelling” or be denied an exemption*
14 *under this section solely on the basis that the dwelling was*
15 *temporarily damaged or destroyed or was being reconstructed by*
16 *the owner, or was temporarily uninhabited as a result of restricted*
17 *access to the property due to the wildfires.*

18 *(l) Any dwelling that qualified for an exemption under this*
19 *section prior to January 11, 2007, that was damaged or destroyed*
20 *by severe freezing conditions, commencing January 11, 2007, and*
21 *any other related casualty that occurred in the Counties of El*
22 *Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced,*
23 *Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo,*
24 *Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and*
25 *Yuba as a result of a disaster as declared by the Governor, and*
26 *that has not changed ownership since January 11, 2007, shall not*
27 *be disqualified as a “dwelling” or be denied an exemption under*
28 *this section solely on the basis that the dwelling was temporarily*
29 *damaged or destroyed or was being reconstructed by the owner,*
30 *or was temporarily uninhabited as a result of restricted access to*
31 *the property due to severe freezing conditions.*

32 ~~(k)~~

33 *(m) The exemption provided for in subdivision (k) of Section*
34 *3 of Article XIII of the Constitution shall first be applied to the*
35 *building, structure, or other shelter and the excess, if any, shall be*
36 *applied to any land on which it may be located.*

37 *SEC. 4.9. Section 218 of the Revenue and Taxation Code is*
38 *amended to read:*

39 218. (a) The homeowners’ property tax exemption is in the
40 amount of the assessed value of the dwelling specified in this

1 section, as authorized by subdivision (k) of Section 3 of Article
2 XIII of the Constitution. That exemption shall be in the amount
3 of seven thousand dollars (\$7,000) of the full value of the dwelling.

4 (b) The exemption does not extend to property that is rented,
5 vacant, under construction on the lien date, or that is a vacation or
6 secondary home of the owner or owners, nor does it apply to
7 property on which an owner receives the veteran's exemption.

8 (c) For purposes of this section, all of the following apply:

9 (1) "Owner" includes a person purchasing the dwelling under
10 a contract of sale or who holds shares or membership in a
11 cooperative housing corporation, which holding is a requisite to
12 the exclusive right of occupancy of a dwelling.

13 (2) (A) "Dwelling" means a building, structure, or other shelter
14 constituting a place of abode, whether real property or personal
15 property, and any land on which it may be situated. A two-dwelling
16 unit shall be considered as two separate single-family dwellings.

17 (B) "Dwelling" includes the following:

18 (i) A single-family dwelling occupied by an owner thereof as
19 his or her principal place of residence on the lien date.

20 (ii) A multiple-dwelling unit occupied by an owner thereof on
21 the lien date as his or her principal place of residence.

22 (iii) A condominium occupied by an owner thereof as his or her
23 principal place of residence on the lien date.

24 (iv) Premises occupied by the owner of shares or a membership
25 interest in a cooperative housing corporation, as defined in
26 subdivision (i) of Section 61, as his or her principal place of
27 residence on the lien date. Each exemption allowed pursuant to
28 this subdivision shall be deducted from the total assessed valuation
29 of the cooperative housing corporation. The exemption shall be
30 taken into account in apportioning property taxes among owners
31 of share or membership interests in the cooperative housing
32 corporations so as to benefit those owners who qualify for the
33 exemption.

34 (d) Any dwelling that qualified for an exemption under this
35 section prior to October 20, 1991, that was damaged or destroyed
36 by fire in a disaster, as declared by the Governor, occurring on or
37 after October 20, 1991, and before November 1, 1991, and that
38 has not changed ownership since October 20, 1991, shall not be
39 disqualified as a "dwelling" or be denied an exemption under this

1 section solely on the basis that the dwelling was temporarily
2 damaged or destroyed or was being reconstructed by the owner.

3 (e) Any dwelling that qualified for an exemption under this
4 section prior to October 15, 2003, that was damaged or destroyed
5 by fire or earthquake in a disaster, as declared by the Governor,
6 during October, November, or December 2003, and that has not
7 changed ownership since October 15, 2003, shall not be
8 disqualified as a “dwelling” or be denied an exemption under this
9 section solely on the basis that the dwelling was temporarily
10 damaged or destroyed or was being reconstructed by the owner.

11 (f) Any dwelling that qualified for an exemption under this
12 section prior to June 3, 2004, that was damaged or destroyed by
13 flood in a disaster, as declared by the Governor, during June 2004,
14 and that has not changed ownership since June 3, 2004, shall not
15 be disqualified as a “dwelling” or be denied an exemption under
16 this section solely on the basis that the dwelling was temporarily
17 damaged or destroyed or was being reconstructed by the owner.

18 (g) Any dwelling that qualified for an exemption under this
19 section prior to August 11, 2004, that was damaged or destroyed
20 by the wildfires and any other related casualty that occurred in
21 Shasta County in a disaster, as declared by the Governor, during
22 August 2004, and that has not changed ownership since August
23 11, 2004, shall not be disqualified as a “dwelling” or be denied an
24 exemption under this section solely on the basis that the dwelling
25 was temporarily damaged or destroyed or was being reconstructed
26 by the owner.

27 (h) Any dwelling that qualified for an exemption under this
28 section prior to December 28, 2004, that was damaged or destroyed
29 by severe rainstorms, floods, mudslides, or the accumulation of
30 debris in a disaster, as declared by the Governor, during December
31 2004, January 2005, February 2005, March 2005, or June 2005,
32 and that has not changed ownership since December 28, 2004,
33 shall not be disqualified as a “dwelling” or be denied an exemption
34 under this section solely on the basis that the dwelling was
35 temporarily damaged or destroyed or was being reconstructed by
36 the owner, or was temporarily uninhabited as a result of restricted
37 access to the property due to floods, mudslides, the accumulation
38 of debris, or washed-out or damaged roads.

39 (i) Any dwelling that qualified for an exemption under this
40 section prior to December 19, 2005, that was damaged or destroyed

1 by severe rainstorms, floods, mudslides, or the accumulation of
2 debris in a disaster, as declared by the Governor in January 2006,
3 April 2006, May 2006, or June 2006, and that has not changed
4 ownership since December 19, 2005, shall not be disqualified as
5 a “dwelling” or be denied an exemption under this section solely
6 on the basis that the dwelling was temporarily damaged or
7 destroyed or was being reconstructed by the owner, or was
8 temporarily uninhabited as a result of restricted access to the
9 property due to floods, mudslides, the accumulation of debris, or
10 washed-out or damaged roads.

11 (j) Any dwelling that qualified for an exemption under this
12 section prior to July 9, 2006, that was damaged or destroyed by
13 the wildfires and any other related casualty that occurred in the
14 County of San Bernardino, as declared by the Governor in July
15 2006, and that has not changed ownership since July 9, 2006, shall
16 not be disqualified as a “dwelling” or be denied an exemption
17 under this section solely on the basis that the dwelling was
18 temporarily damaged or destroyed or was being reconstructed by
19 the owner, or was temporarily uninhabited as a result of restricted
20 access to the property due to the wildfires.

21 (k) *Any dwelling that qualified for an exemption under this*
22 *section prior to the commencement dates listed in the Governor’s*
23 *proclamations of 2006 that was damaged or destroyed by the*
24 *wildfires and any other related casualty that occurred in the*
25 *Counties of Riverside and Ventura, and that has not changed*
26 *ownership since the commencement dates listed in the Governor’s*
27 *proclamations of 2006 shall not be disqualified as a “dwelling”*
28 *or be denied an exemption under this section solely on the basis*
29 *that the dwelling was temporarily damaged or destroyed or was*
30 *being reconstructed by the owner, or was temporarily uninhabited*
31 *as a result of restricted access to the property due to the wildfires.*

32 (l) *Any dwelling that qualified for an exemption under this*
33 *section prior to June 24, 2007, that was damaged or destroyed by*
34 *the wildfires and any other related casualty that occurred in the*
35 *County of El Dorado, as declared by the Governor in June 2007,*
36 *and that has not changed ownership since June 24, 2007, shall*
37 *not be disqualified as a “dwelling” or be denied an exemption*
38 *under this section solely on the basis that the dwelling was*
39 *temporarily damaged or destroyed or was being reconstructed by*

1 *the owner, or was temporarily uninhabited as a result of restricted*
2 *access to the property due to the wildfires.*

3 ~~(k)~~

4 (m) The exemption provided for in subdivision (k) of Section
5 3 of Article XIII of the Constitution shall first be applied to the
6 building, structure, or other shelter and the excess, if any, shall be
7 applied to any land on which it may be located.

8 SEC. 5. Section 17207 of the Revenue and Taxation Code is
9 amended to read:

10 17207. (a) An excess disaster loss, as defined in subdivision
11 (c), shall be carried to other taxable years as provided in
12 subdivision (b), with respect to losses resulting from any of the
13 following disasters:

14 (1) Forest fire or any other related casualty occurring in 1985
15 in California.

16 (2) Storm, flooding, or any other related casualty occurring in
17 1986 in California.

18 (3) Any loss sustained during 1987 as a result of a forest fire or
19 any other related casualty.

20 (4) Earthquake, aftershock, or any other related casualty
21 occurring in 1987 in California.

22 (5) Earthquake, aftershock, or any other related casualty
23 occurring in 1989 in California.

24 (6) Any loss sustained during 1990 as a result of fire or any
25 other related casualty in California.

26 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
27 of 1991, or any other related casualty.

28 (8) Any loss sustained as a result of storm, flooding, or any
29 other related casualty occurring in February 1992 in California.

30 (9) Earthquake, aftershock, or any other related casualty
31 occurring in April 1992 in the County of Humboldt.

32 (10) Riots, arson, or any other related casualty occurring in
33 April or May 1992 in California.

34 (11) Any loss sustained as a result of the earthquakes that
35 occurred in the County of San Bernardino in June and July of 1992,
36 or any other related casualty.

37 (12) Any loss sustained as a result of the Fountain Fire that
38 occurred in the County of Shasta, or as a result of either of the
39 fires in the Counties of Calaveras and Trinity that occurred in
40 August 1992, or any other related casualty.

1 (13) Any loss sustained as a result of storm, flooding, or any
2 other related casualty that occurred in the Counties of Alpine,
3 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
4 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
5 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
6 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
7 Fillmore in January 1993.

8 (14) Any loss sustained as a result of a fire that occurred in the
9 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
10 Diego, and Ventura, during October or November of 1993, or any
11 other related casualty.

12 (15) Any loss sustained as a result of the earthquake, aftershocks,
13 or any other related casualty that occurred in the Counties of Los
14 Angeles, Orange, and Ventura on or after January 17, 1994.

15 (16) Any loss sustained as a result of a fire that occurred in the
16 County of San Luis Obispo during August of 1994, or any other
17 related casualty.

18 (17) Any loss sustained as a result of the storms or flooding
19 occurring in 1995, or any other related casualty, sustained in any
20 county of this state subject to a disaster declaration with respect
21 to the storms and flooding.

22 (18) Any loss sustained as a result of the storms or flooding
23 occurring in December 1996 or January 1997, or any related
24 casualty, sustained in any county of this state subject to a disaster
25 declaration with respect to the storms or flooding.

26 (19) Any loss sustained as a result of the storms or flooding
27 occurring in February 1998, or any related casualty, sustained in
28 any county of this state subject to a disaster declaration with respect
29 to the storms or flooding.

30 (20) Any loss sustained as a result of a freeze occurring in the
31 winter of 1998–99, or any related casualty, sustained in any county
32 of this state subject to a disaster declaration with respect to the
33 freeze.

34 (21) Any loss sustained as a result of an earthquake occurring
35 in September 2000, that was included in the Governor's
36 proclamation of a state of emergency for the County of Napa.

37 (22) Any loss sustained as a result of the Middle River levee
38 break in San Joaquin County occurring in June 2004.

39 (23) Any losses sustained as a result of the fires that occurred
40 in the Counties of Los Angeles, Riverside, San Bernardino, San

1 Diego, and Ventura in October and November 2003, or as a result
2 of floods, mudflows, and debris flows, directly related to fires.

3 (24) Any losses sustained in the Counties of Santa Barbara and
4 San Luis Obispo as a result of the San Simeon earthquake,
5 aftershocks, and any other related casualties.

6 (25) Any losses sustained as a result of the wildfires that
7 occurred in Shasta County, commencing August 11, 2004, and
8 any other related casualty.

9 (26) Any loss sustained in the Counties of Kern, Los Angeles,
10 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
11 and Ventura as a result of the severe rainstorms, related flooding
12 and slides, and any other related casualties, that occurred in
13 December 2004, January 2005, February 2005, March 2005, or
14 June 2005.

15 (27) Any loss sustained in the Counties of Alameda, Alpine,
16 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
17 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
18 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
19 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
20 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
21 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
22 the severe rainstorms, related flooding and slides, and any other
23 related casualties, that occurred in December 2005, January 2006,
24 March 2006, or April 2006.

25 (28) Any loss sustained in the County of San Bernardino as a
26 result of the wildfires that occurred in July 2006.

27 (29) Any loss sustained in the County of Riverside as a result
28 of wildfires that occurred in October 2006.

29 (b) (1) In the case of any loss allowed under Section 165(c) of
30 the Internal Revenue Code, relating to limitation of losses of
31 individuals, any excess disaster loss shall be carried forward to
32 each of the five taxable years following the taxable year for which
33 the loss is claimed. However, if there is any excess disaster loss
34 remaining after the five-year period, then the applicable percentage,
35 as set forth in paragraph (1) of subdivision (b) of Section 17276,
36 of that excess disaster loss shall be carried forward to each of the
37 next 10 taxable years.

38 (2) The entire amount of any excess disaster loss as defined in
39 subdivision (c) shall be carried to the earliest of the taxable years
40 to which, by reason of subdivision (b), the loss may be carried.

1 The portion of the loss which shall be carried to each of the other
2 taxable years shall be the excess, if any, of the amount of excess
3 disaster loss over the sum of the adjusted taxable income for each
4 of the prior taxable years to which that excess disaster loss is
5 carried.

6 (c) “Excess disaster loss” means a disaster loss computed
7 pursuant to Section 165 of the Internal Revenue Code which
8 exceeds the adjusted taxable income of the year of loss or, if the
9 election under Section 165(i) of the Internal Revenue Code is
10 made, the adjusted taxable income of the year preceding the loss.

11 (d) The provisions of this section and Section 165(i) of the
12 Internal Revenue Code shall be applicable to any of the losses
13 listed in subdivision (a) sustained in any county or city in this state
14 which was proclaimed by the Governor to be in a state of disaster.

15 (e) Losses allowable under this section may not be taken into
16 account in computing a net operating loss deduction under Section
17 172 of the Internal Revenue Code.

18 (f) For purposes of this section, “adjusted taxable income” shall
19 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

20 (g) For losses described in paragraphs (15) to (29), inclusive,
21 of subdivision (a), the election under Section 165(i) of the Internal
22 Revenue Code may be made on a return or amended return filed
23 on or before the due date of the return (determined with regard to
24 extension) for the taxable year in which the disaster occurred.

25 *SEC. 5.5. Section 17207 of the Revenue and Taxation Code is*
26 *amended to read:*

27 17207. (a) An excess disaster loss, as defined in subdivision
28 (c), shall be carried to other taxable years as provided in
29 subdivision (b), with respect to losses resulting from any of the
30 following disasters:

31 (1) Forest fire or any other related casualty occurring in 1985
32 in California.

33 (2) Storm, flooding, or any other related casualty occurring in
34 1986 in California.

35 (3) Any loss sustained during 1987 as a result of a forest fire or
36 any other related casualty.

37 (4) Earthquake, aftershock, or any other related casualty
38 occurring in 1987 in California.

39 (5) Earthquake, aftershock, or any other related casualty
40 occurring in 1989 in California.

- 1 (6) Any loss sustained during 1990 as a result of fire or any
2 other related casualty in California.
- 3 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
4 of 1991, or any other related casualty.
- 5 (8) Any loss sustained as a result of storm, flooding, or any
6 other related casualty occurring in February 1992 in California.
- 7 (9) Earthquake, aftershock, or any other related casualty
8 occurring in April 1992 in the County of Humboldt.
- 9 (10) Riots, arson, or any other related casualty occurring in
10 April or May 1992 in California.
- 11 (11) Any loss sustained as a result of the earthquakes that
12 occurred in the County of San Bernardino in June and July of 1992,
13 or any other related casualty.
- 14 (12) Any loss sustained as a result of the Fountain Fire that
15 occurred in the County of Shasta, or as a result of either of the
16 fires in the Counties of Calaveras and Trinity that occurred in
17 August 1992, or any other related casualty.
- 18 (13) Any loss sustained as a result of storm, flooding, or any
19 other related casualty that occurred in the Counties of Alpine,
20 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
21 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
22 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
23 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
24 Fillmore in January 1993.
- 25 (14) Any loss sustained as a result of a fire that occurred in the
26 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
27 Diego, and Ventura, during October or November of 1993, or any
28 other related casualty.
- 29 (15) Any loss sustained as a result of the earthquake, aftershocks,
30 or any other related casualty that occurred in the Counties of Los
31 Angeles, Orange, and Ventura on or after January 17, 1994.
- 32 (16) Any loss sustained as a result of a fire that occurred in the
33 County of San Luis Obispo during August of 1994, or any other
34 related casualty.
- 35 (17) Any loss sustained as a result of the storms or flooding
36 occurring in 1995, or any other related casualty, sustained in any
37 county of this state subject to a disaster declaration with respect
38 to the storms and flooding.
- 39 (18) Any loss sustained as a result of the storms or flooding
40 occurring in December 1996 or January 1997, or any related

1 casualty, sustained in any county of this state subject to a disaster
2 declaration with respect to the storms or flooding.

3 (19) Any loss sustained as a result of the storms or flooding
4 occurring in February 1998, or any related casualty, sustained in
5 any county of this state subject to a disaster declaration with respect
6 to the storms or flooding.

7 (20) Any loss sustained as a result of a freeze occurring in the
8 winter of 1998–99, or any related casualty, sustained in any county
9 of this state subject to a disaster declaration with respect to the
10 freeze.

11 (21) Any loss sustained as a result of an earthquake occurring
12 in September 2000, that was included in the Governor’s
13 proclamation of a state of emergency for the County of Napa.

14 (22) Any loss sustained as a result of the Middle River levee
15 break in San Joaquin County occurring in June 2004.

16 (23) Any losses sustained as a result of the fires that occurred
17 in the Counties of Los Angeles, *Riverside*, San Bernardino,
18 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
19 or as a result of floods, mudflows, and debris flows, directly related
20 to fires.

21 (24) Any losses sustained in the Counties of Santa Barbara and
22 San Luis Obispo as a result of the San Simeon earthquake,
23 aftershocks, and any other related casualties.

24 (25) Any losses sustained as a result of the wildfires that
25 occurred in Shasta County, commencing August 11, 2004, and
26 any other related casualty.

27 (26) Any loss sustained in the Counties of Kern, Los Angeles,
28 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
29 and Ventura as a result of the severe rainstorms, related flooding
30 and slides, and any other related casualties, that occurred in
31 December 2004, January 2005, February 2005, March 2005, or
32 June 2005.

33 (27) Any loss sustained in the Counties of Alameda, Alpine,
34 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
35 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
36 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
37 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
38 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
39 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
40 the severe rainstorms, related flooding and slides, and any other

1 related casualties, that occurred in December 2005, January 2006,
2 March 2006, or April 2006.

3 (28) Any loss sustained in the County of San Bernardino as a
4 result of the wildfires that occurred in July 2006.

5 (29) *Any loss sustained in the Counties of Riverside and Ventura*
6 *as a result of wildfires that occurred during the 2006 calendar*
7 *year.*

8 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
9 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
10 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
11 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*
12 *of the Governor's proclamations of a state of emergency for the*
13 *severe freezing conditions that occurred in January 2007.*

14 (31) *Any loss sustained in the County of El Dorado as a result*
15 *of wildfires that occurred in June 2007.*

16 (b) (1) In the case of any loss allowed under Section 165(c) of
17 the Internal Revenue Code, relating to limitation of losses of
18 individuals, any excess disaster loss shall be carried forward to
19 each of the five taxable years following the taxable year for which
20 the loss is claimed. However, if there is any excess disaster loss
21 remaining after the five-year period, then the applicable percentage,
22 as set forth in paragraph (1) of subdivision (b) of Section 17276,
23 of that excess disaster loss shall be carried forward to each of the
24 next 10 taxable years.

25 (2) The entire amount of any excess disaster loss as defined in
26 subdivision (c) shall be carried to the earliest of the taxable years
27 to which, by reason of subdivision (b), the loss may be carried.
28 The portion of the loss which shall be carried to each of the other
29 taxable years shall be the excess, if any, of the amount of excess
30 disaster loss over the sum of the adjusted taxable income for each
31 of the prior taxable years to which that excess disaster loss is
32 carried.

33 (c) "Excess disaster loss" means a disaster loss computed
34 pursuant to Section 165 of the Internal Revenue Code which
35 exceeds the adjusted taxable income of the year of loss or, if the
36 election under Section 165(i) of the Internal Revenue Code is
37 made, the adjusted taxable income of the year preceding the loss.

38 (d) The provisions of this section and Section 165(i) of the
39 Internal Revenue Code shall be applicable to any of the losses

1 listed in subdivision (a) sustained in any county or city in this state
2 which was proclaimed by the Governor to be in a state of disaster.

3 (e) Losses allowable under this section may not be taken into
4 account in computing a net operating loss deduction under Section
5 172 of the Internal Revenue Code.

6 (f) For purposes of this section, “adjusted taxable income” shall
7 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

8 (g) For losses described in paragraphs (15) to ~~(28)~~ (31),
9 inclusive, of subdivision (a), the election under Section 165(i) of
10 the Internal Revenue Code may be made on a return or amended
11 return filed on or before the due date of the return (determined
12 with regard to extension) for the taxable year in which the disaster
13 occurred.

14 *SEC. 5.7. Section 17207 of the Revenue and Taxation Code is*
15 *amended to read:*

16 17207. (a) An excess disaster loss, as defined in subdivision
17 (c), shall be carried to other taxable years as provided in
18 subdivision (b), with respect to losses resulting from any of the
19 following disasters:

20 (1) Forest fire or any other related casualty occurring in 1985
21 in California.

22 (2) Storm, flooding, or any other related casualty occurring in
23 1986 in California.

24 (3) Any loss sustained during 1987 as a result of a forest fire or
25 any other related casualty.

26 (4) Earthquake, aftershock, or any other related casualty
27 occurring in 1987 in California.

28 (5) Earthquake, aftershock, or any other related casualty
29 occurring in 1989 in California.

30 (6) Any loss sustained during 1990 as a result of fire or any
31 other related casualty in California.

32 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
33 of 1991, or any other related casualty.

34 (8) Any loss sustained as a result of storm, flooding, or any
35 other related casualty occurring in February 1992 in California.

36 (9) Earthquake, aftershock, or any other related casualty
37 occurring in April 1992 in the County of Humboldt.

38 (10) Riots, arson, or any other related casualty occurring in
39 April or May 1992 in California.

1 (11) Any loss sustained as a result of the earthquakes that
2 occurred in the County of San Bernardino in June and July of 1992,
3 or any other related casualty.

4 (12) Any loss sustained as a result of the Fountain Fire that
5 occurred in the County of Shasta, or as a result of either of the
6 fires in the Counties of Calaveras and Trinity that occurred in
7 August 1992, or any other related casualty.

8 (13) Any loss sustained as a result of storm, flooding, or any
9 other related casualty that occurred in the Counties of Alpine,
10 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
11 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
12 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
13 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
14 Fillmore in January 1993.

15 (14) Any loss sustained as a result of a fire that occurred in the
16 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
17 Diego, and Ventura, during October or November of 1993, or any
18 other related casualty.

19 (15) Any loss sustained as a result of the earthquake, aftershocks,
20 or any other related casualty that occurred in the Counties of Los
21 Angeles, Orange, and Ventura on or after January 17, 1994.

22 (16) Any loss sustained as a result of a fire that occurred in the
23 County of San Luis Obispo during August of 1994, or any other
24 related casualty.

25 (17) Any loss sustained as a result of the storms or flooding
26 occurring in 1995, or any other related casualty, sustained in any
27 county of this state subject to a disaster declaration with respect
28 to the storms and flooding.

29 (18) Any loss sustained as a result of the storms or flooding
30 occurring in December 1996 or January 1997, or any related
31 casualty, sustained in any county of this state subject to a disaster
32 declaration with respect to the storms or flooding.

33 (19) Any loss sustained as a result of the storms or flooding
34 occurring in February 1998, or any related casualty, sustained in
35 any county of this state subject to a disaster declaration with respect
36 to the storms or flooding.

37 (20) Any loss sustained as a result of a freeze occurring in the
38 winter of 1998–99, or any related casualty, sustained in any county
39 of this state subject to a disaster declaration with respect to the
40 freeze.

1 (21) Any loss sustained as a result of an earthquake occurring
2 in September 2000, that was included in the Governor's
3 proclamation of a state of emergency for the County of Napa.

4 (22) Any loss sustained as a result of the Middle River levee
5 break in San Joaquin County occurring in June 2004.

6 (23) Any losses sustained as a result of the fires that occurred
7 in the Counties of Los Angeles, *Riverside*, San Bernardino,
8 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
9 or as a result of floods, mudflows, and debris flows, directly related
10 to fires.

11 (24) Any losses sustained in the Counties of Santa Barbara and
12 San Luis Obispo as a result of the San Simeon earthquake,
13 aftershocks, and any other related casualties.

14 (25) Any losses sustained as a result of the wildfires that
15 occurred in Shasta County, commencing August 11, 2004, and
16 any other related casualty.

17 (26) Any loss sustained in the Counties of Kern, Los Angeles,
18 Orange, *Riverside*, San Bernardino, San Diego, Santa Barbara,
19 and Ventura as a result of the severe rainstorms, related flooding
20 and slides, and any other related casualties, that occurred in
21 December 2004, January 2005, February 2005, March 2005, or
22 June 2005.

23 (27) Any loss sustained in the Counties of Alameda, Alpine,
24 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
25 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
26 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
27 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
28 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
29 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
30 the severe rainstorms, related flooding and slides, and any other
31 related casualties, that occurred in December 2005, January 2006,
32 March 2006, or April 2006.

33 (28) Any loss sustained in the County of San Bernardino as a
34 result of the wildfires that occurred in July 2006.

35 (29) *Any loss sustained in the County of Riverside as a result*
36 *of wildfires that occurred in October 2006.*

37 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
38 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
39 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
40 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*

1 *of the Governor's proclamations of a state of emergency for the*
2 *severe freezing conditions that occurred in January 2007.*

3 (b) (1) In the case of any loss allowed under Section 165(c) of
4 the Internal Revenue Code, relating to limitation of losses of
5 individuals, any excess disaster loss shall be carried forward to
6 each of the five taxable years following the taxable year for which
7 the loss is claimed. However, if there is any excess disaster loss
8 remaining after the five-year period, then the applicable percentage,
9 as set forth in paragraph (1) of subdivision (b) of Section 17276,
10 of that excess disaster loss shall be carried forward to each of the
11 next 10 taxable years.

12 (2) The entire amount of any excess disaster loss as defined in
13 subdivision (c) shall be carried to the earliest of the taxable years
14 to which, by reason of subdivision (b), the loss may be carried.
15 The portion of the loss which shall be carried to each of the other
16 taxable years shall be the excess, if any, of the amount of excess
17 disaster loss over the sum of the adjusted taxable income for each
18 of the prior taxable years to which that excess disaster loss is
19 carried.

20 (c) "Excess disaster loss" means a disaster loss computed
21 pursuant to Section 165 of the Internal Revenue Code which
22 exceeds the adjusted taxable income of the year of loss or, if the
23 election under Section 165(i) of the Internal Revenue Code is
24 made, the adjusted taxable income of the year preceding the loss.

25 (d) The provisions of this section and Section 165(i) of the
26 Internal Revenue Code shall be applicable to any of the losses
27 listed in subdivision (a) sustained in any county or city in this state
28 which was proclaimed by the Governor to be in a state of disaster.

29 (e) Losses allowable under this section may not be taken into
30 account in computing a net operating loss deduction under Section
31 172 of the Internal Revenue Code.

32 (f) For purposes of this section, "adjusted taxable income" shall
33 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

34 (g) For losses described in paragraphs (15) to ~~(28)~~ (30),
35 inclusive, of subdivision (a), the election under Section 165(i) of
36 the Internal Revenue Code may be made on a return or amended
37 return filed on or before the due date of the return (determined
38 with regard to extension) for the taxable year in which the disaster
39 occurred.

1 *SEC. 5.9. Section 17207 of the Revenue and Taxation Code is*
2 *amended to read:*

3 17207. (a) An excess disaster loss, as defined in subdivision
4 (c), shall be carried to other taxable years as provided in
5 subdivision (b), with respect to losses resulting from any of the
6 following disasters:

7 (1) Forest fire or any other related casualty occurring in 1985
8 in California.

9 (2) Storm, flooding, or any other related casualty occurring in
10 1986 in California.

11 (3) Any loss sustained during 1987 as a result of a forest fire or
12 any other related casualty.

13 (4) Earthquake, aftershock, or any other related casualty
14 occurring in 1987 in California.

15 (5) Earthquake, aftershock, or any other related casualty
16 occurring in 1989 in California.

17 (6) Any loss sustained during 1990 as a result of fire or any
18 other related casualty in California.

19 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
20 of 1991, or any other related casualty.

21 (8) Any loss sustained as a result of storm, flooding, or any
22 other related casualty occurring in February 1992 in California.

23 (9) Earthquake, aftershock, or any other related casualty
24 occurring in April 1992 in the County of Humboldt.

25 (10) Riots, arson, or any other related casualty occurring in
26 April or May 1992 in California.

27 (11) Any loss sustained as a result of the earthquakes that
28 occurred in the County of San Bernardino in June and July of 1992,
29 or any other related casualty.

30 (12) Any loss sustained as a result of the Fountain Fire that
31 occurred in the County of Shasta, or as a result of either of the
32 fires in the Counties of Calaveras and Trinity that occurred in
33 August 1992, or any other related casualty.

34 (13) Any loss sustained as a result of storm, flooding, or any
35 other related casualty that occurred in the Counties of Alpine,
36 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
37 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
38 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
39 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
40 Fillmore in January 1993.

1 (14) Any loss sustained as a result of a fire that occurred in the
2 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
3 Diego, and Ventura, during October or November of 1993, or any
4 other related casualty.

5 (15) Any loss sustained as a result of the earthquake, aftershocks,
6 or any other related casualty that occurred in the Counties of Los
7 Angeles, Orange, and Ventura on or after January 17, 1994.

8 (16) Any loss sustained as a result of a fire that occurred in the
9 County of San Luis Obispo during August of 1994, or any other
10 related casualty.

11 (17) Any loss sustained as a result of the storms or flooding
12 occurring in 1995, or any other related casualty, sustained in any
13 county of this state subject to a disaster declaration with respect
14 to the storms and flooding.

15 (18) Any loss sustained as a result of the storms or flooding
16 occurring in December 1996 or January 1997, or any related
17 casualty, sustained in any county of this state subject to a disaster
18 declaration with respect to the storms or flooding.

19 (19) Any loss sustained as a result of the storms or flooding
20 occurring in February 1998, or any related casualty, sustained in
21 any county of this state subject to a disaster declaration with respect
22 to the storms or flooding.

23 (20) Any loss sustained as a result of a freeze occurring in the
24 winter of 1998–99, or any related casualty, sustained in any county
25 of this state subject to a disaster declaration with respect to the
26 freeze.

27 (21) Any loss sustained as a result of an earthquake occurring
28 in September 2000, that was included in the Governor's
29 proclamation of a state of emergency for the County of Napa.

30 (22) Any loss sustained as a result of the Middle River levee
31 break in San Joaquin County occurring in June 2004.

32 (23) Any losses sustained as a result of the fires that occurred
33 in the Counties of Los Angeles, *Riverside*, San Bernardino,
34 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
35 or as a result of floods, mudflows, and debris flows, directly related
36 to fires.

37 (24) Any losses sustained in the Counties of Santa Barbara and
38 San Luis Obispo as a result of the San Simeon earthquake,
39 aftershocks, and any other related casualties.

1 (25) Any losses sustained as a result of the wildfires that
2 occurred in Shasta County, commencing August 11, 2004, and
3 any other related casualty.

4 (26) Any loss sustained in the Counties of Kern, Los Angeles,
5 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
6 and Ventura as a result of the severe rainstorms, related flooding
7 and slides, and any other related casualties, that occurred in
8 December 2004, January 2005, February 2005, March 2005, or
9 June 2005.

10 (27) Any loss sustained in the Counties of Alameda, Alpine,
11 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
12 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
13 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
14 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
15 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
16 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
17 the severe rainstorms, related flooding and slides, and any other
18 related casualties, that occurred in December 2005, January 2006,
19 March 2006, or April 2006.

20 (28) Any loss sustained in the County of San Bernardino as a
21 result of the wildfires that occurred in July 2006.

22 (29) *Any loss sustained in the Counties of Riverside and Ventura*
23 *as a result of wildfires that occurred during the 2006 calendar*
24 *year.*

25 (30) *Any loss sustained in the County of El Dorado as a result*
26 *of wildfires that occurred in June 2007.*

27 (b) (1) In the case of any loss allowed under Section 165(c) of
28 the Internal Revenue Code, relating to limitation of losses of
29 individuals, any excess disaster loss shall be carried forward to
30 each of the five taxable years following the taxable year for which
31 the loss is claimed. However, if there is any excess disaster loss
32 remaining after the five-year period, then the applicable percentage,
33 as set forth in paragraph (1) of subdivision (b) of Section 17276,
34 of that excess disaster loss shall be carried forward to each of the
35 next 10 taxable years.

36 (2) The entire amount of any excess disaster loss as defined in
37 subdivision (c) shall be carried to the earliest of the taxable years
38 to which, by reason of subdivision (b), the loss may be carried.
39 The portion of the loss which shall be carried to each of the other
40 taxable years shall be the excess, if any, of the amount of excess

1 disaster loss over the sum of the adjusted taxable income for each
2 of the prior taxable years to which that excess disaster loss is
3 carried.

4 (c) “Excess disaster loss” means a disaster loss computed
5 pursuant to Section 165 of the Internal Revenue Code which
6 exceeds the adjusted taxable income of the year of loss or, if the
7 election under Section 165(i) of the Internal Revenue Code is
8 made, the adjusted taxable income of the year preceding the loss.

9 (d) The provisions of this section and Section 165(i) of the
10 Internal Revenue Code shall be applicable to any of the losses
11 listed in subdivision (a) sustained in any county or city in this state
12 which was proclaimed by the Governor to be in a state of disaster.

13 (e) Losses allowable under this section may not be taken into
14 account in computing a net operating loss deduction under Section
15 172 of the Internal Revenue Code.

16 (f) For purposes of this section, “adjusted taxable income” shall
17 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

18 (g) For losses described in paragraphs (15) to ~~(28)~~ (30),
19 inclusive, of subdivision (a), the election under Section 165(i) of
20 the Internal Revenue Code may be made on a return or amended
21 return filed on or before the due date of the return (determined
22 with regard to extension) for the taxable year in which the disaster
23 occurred.

24 SEC. 6. Section 24347.5 of the Revenue and Taxation Code
25 is amended to read:

26 24347.5. (a) An excess disaster loss, as defined in subdivision
27 (c), shall be carried to other taxable years as provided in
28 subdivision (b), with respect to losses resulting from any of the
29 following disasters:

30 (1) Forest fire or any other related casualty occurring in 1985
31 in California.

32 (2) Storm, flooding, or any other related casualty occurring in
33 1986 in California.

34 (3) Any loss sustained during 1987 as a result of a forest fire or
35 any other related casualty.

36 (4) Earthquake, aftershock, or any other related casualty
37 occurring in October 1987 in California.

38 (5) Earthquake, aftershock, or any other related casualty
39 occurring in October 1989 in California.

- 1 (6) Any loss sustained during 1990 as a result of fire or any
2 other related casualty in California.
- 3 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
4 of 1991, or any other related casualty.
- 5 (8) Any loss sustained as a result of storm, flooding, or any
6 other related casualty occurring in February 1992 in California.
- 7 (9) Earthquake, aftershock, or any other related casualty
8 occurring in April 1992 in the County of Humboldt.
- 9 (10) Riots, arson, or any other related casualty occurring in
10 April or May 1992 in California.
- 11 (11) Any loss sustained as a result of the earthquakes or any
12 other related casualty that occurred in the County of San
13 Bernardino in June and July of 1992.
- 14 (12) Any loss sustained as a result of the Fountain Fire that
15 occurred in the County of Shasta, or as a result of either of the
16 fires in the Counties of Calaveras and Trinity that occurred in
17 August 1992, or any other related casualty.
- 18 (13) Any loss sustained as a result of storm, flooding, or any
19 other related casualty that occurred in the Counties of Alpine,
20 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
21 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
22 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
23 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
24 Fillmore in January 1993.
- 25 (14) Any loss sustained as a result of a fire that occurred in the
26 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
27 Diego, and Ventura, during October or November of 1993, or any
28 other related casualty.
- 29 (15) Any loss sustained as a result of the earthquake, aftershocks,
30 or any other related casualty that occurred in the Counties of Los
31 Angeles, Orange, and Ventura on or after January 17, 1994.
- 32 (16) Any loss sustained as a result of a fire that occurred in the
33 County of San Luis Obispo during August of 1994, or any other
34 related casualty.
- 35 (17) Any loss sustained as a result of the storms or flooding
36 occurring in 1995, or any other related casualty, sustained in any
37 county of this state subject to a disaster declaration with respect
38 to the storms and flooding.
- 39 (18) Any loss sustained as a result of the storms or flooding
40 occurring in December 1996 or January 1997, or any related

- 1 casualty, sustained in any county of this state subject to a disaster
2 declaration with respect to the storms or flooding.
- 3 (19) Any loss sustained as a result of the storms or flooding
4 occurring in February 1998, or any related casualty, sustained in
5 any county of this state subject to a disaster declaration with respect
6 to the storms or flooding.
- 7 (20) Any loss sustained as a result of a freeze occurring in the
8 winter of 1998–99, or any related casualty, sustained in any county
9 of this state subject to a disaster declaration with respect to the
10 freeze.
- 11 (21) Any loss sustained as a result of an earthquake occurring
12 in September 2000, that was included in the Governor’s
13 proclamation of a state of emergency for the County of Napa.
- 14 (22) Any loss sustained as a result of the Middle River levee
15 break in San Joaquin County occurring in June 2004.
- 16 (23) Any losses sustained as a result of the fires that occurred
17 in the Counties of Los Angeles, Riverside, San Bernardino, San
18 Diego, and Ventura in October and November 2003, or as a result
19 of floods, mudflows, and debris flows, directly related to fires.
- 20 (24) Any losses sustained in the Counties of Santa Barbara and
21 San Luis Obispo as a result of the San Simeon earthquake,
22 aftershocks, and any other related casualties.
- 23 (25) Any losses sustained as a result of the wildfires that
24 occurred in Shasta County, commencing August 11, 2004, and
25 any other related casualty.
- 26 (26) Any loss sustained in the Counties of Kern, Los Angeles,
27 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
28 and Ventura as a result of the severe rainstorms, related flooding
29 and slides, and any other related casualties, that occurred in
30 December 2004, January 2005, February 2005, March 2005, or
31 June 2005.
- 32 (27) Any loss sustained in the Counties of Alameda, Alpine,
33 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
34 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
35 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
36 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
37 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
38 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
39 the severe rainstorms, related flooding and slides, and any other

1 related casualties, that occurred in December 2005, January 2006,
2 March 2006, or April 2006.

3 (28) Any loss sustained in the County of San Bernardino as a
4 result of the wildfires that occurred in July 2006.

5 (29) Any loss sustained in the County of Riverside as a result
6 of the wildfires that occurred in October 2006.

7 (b) (1) In the case of any loss allowed under Section 165 of the
8 Internal Revenue Code, relating to losses, any excess disaster loss
9 shall be carried forward to each of the five taxable years following
10 the taxable year for which the loss is claimed. However, if there
11 is any excess disaster loss remaining after the five-year period,
12 then the applicable percentage, as set forth in paragraph (1) of
13 subdivision (b) of Section 24416, of that excess disaster loss shall
14 be carried forward to each of the next 10 taxable years.

15 (2) The entire amount of any excess disaster loss as defined in
16 subdivision (c) shall be carried to the earliest of the taxable years
17 to which, by reason of subdivision (b), the loss may be carried.
18 The portion of the loss which shall be carried to each of the other
19 taxable years shall be the excess, if any, of the amount of excess
20 disaster loss over the sum of the net income for each of the prior
21 taxable years to which that excess disaster loss is carried.

22 (c) “Excess disaster loss” means a disaster loss computed
23 pursuant to Section 165 of the Internal Revenue Code, which
24 exceeds the net income of the year of loss or, if the election under
25 Section 165(i) of the Internal Revenue Code is made, the net
26 income of the year preceding the loss.

27 (d) The provisions of this section and Section 165(i) of the
28 Internal Revenue Code shall be applicable to any of the losses
29 listed in subdivision (a) sustained in any county or city in this state
30 which was proclaimed by the Governor to be in a state of disaster.

31 (e) Any corporation subject to the provisions of Section 25101
32 or 25101.15 that has disaster losses pursuant to this section, shall
33 determine the excess disaster loss to be carried to other taxable
34 years under the principles specified in Section 25108 relating to
35 net operating losses.

36 (f) Losses allowable under this section may not be taken into
37 account in computing a net operating loss deduction under Section
38 172 of the Internal Revenue Code.

39 (g) For losses described in paragraphs (15) to (29), inclusive,
40 of subdivision (a), the election under Section 165(i) of the Internal

1 Revenue Code may be made on a return or amended return filed
2 on or before the due date of the return (determined with regard to
3 extension) for the taxable year in which the disaster occurred.

4 *SEC. 6.5. Section 24347.5 of the Revenue and Taxation Code*
5 *is amended to read:*

6 24347.5. (a) An excess disaster loss, as defined in subdivision
7 (c), shall be carried to other taxable years as provided in
8 subdivision (b), with respect to losses resulting from any of the
9 following disasters:

10 (1) Forest fire or any other related casualty occurring in 1985
11 in California.

12 (2) Storm, flooding, or any other related casualty occurring in
13 1986 in California.

14 (3) Any loss sustained during 1987 as a result of a forest fire or
15 any other related casualty.

16 (4) Earthquake, aftershock, or any other related casualty
17 occurring in October 1987 in California.

18 (5) Earthquake, aftershock, or any other related casualty
19 occurring in October 1989 in California.

20 (6) Any loss sustained during 1990 as a result of fire or any
21 other related casualty in California.

22 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
23 of 1991, or any other related casualty.

24 (8) Any loss sustained as a result of storm, flooding, or any
25 other related casualty occurring in February 1992 in California.

26 (9) Earthquake, aftershock, or any other related casualty
27 occurring in April 1992 in the County of Humboldt.

28 (10) Riots, arson, or any other related casualty occurring in
29 April or May 1992 in California.

30 (11) Any loss sustained as a result of the earthquakes or any
31 other related casualty that occurred in the County of San
32 Bernardino in June and July of 1992.

33 (12) Any loss sustained as a result of the Fountain Fire that
34 occurred in the County of Shasta, or as a result of either of the
35 fires in the Counties of Calaveras and Trinity that occurred in
36 August 1992, or any other related casualty.

37 (13) Any loss sustained as a result of storm, flooding, or any
38 other related casualty that occurred in the Counties of Alpine,
39 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
40 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,

1 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
2 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
3 Fillmore in January 1993.

4 (14) Any loss sustained as a result of a fire that occurred in the
5 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
6 Diego, and Ventura, during October or November of 1993, or any
7 other related casualty.

8 (15) Any loss sustained as a result of the earthquake, aftershocks,
9 or any other related casualty that occurred in the Counties of Los
10 Angeles, Orange, and Ventura on or after January 17, 1994.

11 (16) Any loss sustained as a result of a fire that occurred in the
12 County of San Luis Obispo during August of 1994, or any other
13 related casualty.

14 (17) Any loss sustained as a result of the storms or flooding
15 occurring in 1995, or any other related casualty, sustained in any
16 county of this state subject to a disaster declaration with respect
17 to the storms and flooding.

18 (18) Any loss sustained as a result of the storms or flooding
19 occurring in December 1996 or January 1997, or any related
20 casualty, sustained in any county of this state subject to a disaster
21 declaration with respect to the storms or flooding.

22 (19) Any loss sustained as a result of the storms or flooding
23 occurring in February 1998, or any related casualty, sustained in
24 any county of this state subject to a disaster declaration with respect
25 to the storms or flooding.

26 (20) Any loss sustained as a result of a freeze occurring in the
27 winter of 1998–99, or any related casualty, sustained in any county
28 of this state subject to a disaster declaration with respect to the
29 freeze.

30 (21) Any loss sustained as a result of an earthquake occurring
31 in September 2000, that was included in the Governor’s
32 proclamation of a state of emergency for the County of Napa.

33 (22) Any loss sustained as a result of the Middle River levee
34 break in San Joaquin County occurring in June 2004.

35 (23) Any losses sustained as a result of the fires that occurred
36 in the Counties of Los Angeles, *Riverside*, San Bernardino,
37 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
38 or as a result of floods, mudflows, and debris flows, directly related
39 to fires.

1 (24) Any losses sustained in the Counties of Santa Barbara and
2 San Luis Obispo as a result of the San Simeon earthquake,
3 aftershocks, and any other related casualties.

4 (25) Any losses sustained as a result of the wildfires that
5 occurred in Shasta County, commencing August 11, 2004, and
6 any other related casualty.

7 (26) Any loss sustained in the Counties of Kern, Los Angeles,
8 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
9 and Ventura as a result of the severe rainstorms, related flooding
10 and slides, and any other related casualties, that occurred in
11 December 2004, January 2005, February 2005, March 2005, or
12 June 2005.

13 (27) Any loss sustained in the Counties of Alameda, Alpine,
14 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
15 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
16 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
17 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
18 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
19 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
20 the severe rainstorms, related flooding and slides, and any other
21 related casualties, that occurred in December 2005, January 2006,
22 March 2006, or April 2006.

23 (28) Any loss sustained in the County of San Bernardino as a
24 result of the wildfires that occurred in July 2006.

25 (29) *Any loss sustained in the Counties of Riverside and Ventura*
26 *as a result of wildfires that occurred during the 2006 calendar*
27 *year.*

28 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
29 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
30 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
31 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*
32 *of the Governor's proclamations of a state of emergency for the*
33 *severe freezing conditions that occurred in January 2007.*

34 (31) *Any loss sustained in the County of El Dorado as a result*
35 *of wildfires that occurred in June 2007.*

36 (b) (1) In the case of any loss allowed under Section 165 of the
37 Internal Revenue Code, relating to losses, any excess disaster loss
38 shall be carried forward to each of the five taxable years following
39 the taxable year for which the loss is claimed. However, if there
40 is any excess disaster loss remaining after the five-year period,

1 then the applicable percentage, as set forth in paragraph (1) of
2 subdivision (b) of Section 24416, of that excess disaster loss shall
3 be carried forward to each of the next 10 taxable years.

4 (2) The entire amount of any excess disaster loss as defined in
5 subdivision (c) shall be carried to the earliest of the taxable years
6 to which, by reason of subdivision (b), the loss may be carried.
7 The portion of the loss which shall be carried to each of the other
8 taxable years shall be the excess, if any, of the amount of excess
9 disaster loss over the sum of the net income for each of the prior
10 taxable years to which that excess disaster loss is carried.

11 (c) “Excess disaster loss” means a disaster loss computed
12 pursuant to Section 165 of the Internal Revenue Code, which
13 exceeds the net income of the year of loss or, if the election under
14 Section 165(i) of the Internal Revenue Code is made, the net
15 income of the year preceding the loss.

16 (d) The provisions of this section and Section 165(i) of the
17 Internal Revenue Code shall be applicable to any of the losses
18 listed in subdivision (a) sustained in any county or city in this state
19 which was proclaimed by the Governor to be in a state of disaster.

20 (e) Any corporation subject to the provisions of Section 25101
21 or 25101.15 that has disaster losses pursuant to this section, shall
22 determine the excess disaster loss to be carried to other taxable
23 years under the principles specified in Section 25108 relating to
24 net operating losses.

25 (f) Losses allowable under this section may not be taken into
26 account in computing a net operating loss deduction under Section
27 172 of the Internal Revenue Code.

28 (g) For losses described in paragraphs (15) to ~~(28)~~ (31),
29 inclusive, of subdivision (a), the election under Section 165(i) of
30 the Internal Revenue Code may be made on a return or amended
31 return filed on or before the due date of the return (determined
32 with regard to extension) for the taxable year in which the disaster
33 occurred.

34 *SEC. 6.7. Section 24347.5 of the Revenue and Taxation Code*
35 *is amended to read:*

36 24347.5. (a) An excess disaster loss, as defined in subdivision
37 (c), shall be carried to other taxable years as provided in
38 subdivision (b), with respect to losses resulting from any of the
39 following disasters:

- 1 (1) Forest fire or any other related casualty occurring in 1985
2 in California.
- 3 (2) Storm, flooding, or any other related casualty occurring in
4 1986 in California.
- 5 (3) Any loss sustained during 1987 as a result of a forest fire or
6 any other related casualty.
- 7 (4) Earthquake, aftershock, or any other related casualty
8 occurring in October 1987 in California.
- 9 (5) Earthquake, aftershock, or any other related casualty
10 occurring in October 1989 in California.
- 11 (6) Any loss sustained during 1990 as a result of fire or any
12 other related casualty in California.
- 13 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
14 of 1991, or any other related casualty.
- 15 (8) Any loss sustained as a result of storm, flooding, or any
16 other related casualty occurring in February 1992 in California.
- 17 (9) Earthquake, aftershock, or any other related casualty
18 occurring in April 1992 in the County of Humboldt.
- 19 (10) Riots, arson, or any other related casualty occurring in
20 April or May 1992 in California.
- 21 (11) Any loss sustained as a result of the earthquakes or any
22 other related casualty that occurred in the County of San
23 Bernardino in June and July of 1992.
- 24 (12) Any loss sustained as a result of the Fountain Fire that
25 occurred in the County of Shasta, or as a result of either of the
26 fires in the Counties of Calaveras and Trinity that occurred in
27 August 1992, or any other related casualty.
- 28 (13) Any loss sustained as a result of storm, flooding, or any
29 other related casualty that occurred in the Counties of Alpine,
30 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
31 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
32 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
33 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
34 Fillmore in January 1993.
- 35 (14) Any loss sustained as a result of a fire that occurred in the
36 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
37 Diego, and Ventura, during October or November of 1993, or any
38 other related casualty.

1 (15) Any loss sustained as a result of the earthquake, aftershocks,
2 or any other related casualty that occurred in the Counties of Los
3 Angeles, Orange, and Ventura on or after January 17, 1994.

4 (16) Any loss sustained as a result of a fire that occurred in the
5 County of San Luis Obispo during August of 1994, or any other
6 related casualty.

7 (17) Any loss sustained as a result of the storms or flooding
8 occurring in 1995, or any other related casualty, sustained in any
9 county of this state subject to a disaster declaration with respect
10 to the storms and flooding.

11 (18) Any loss sustained as a result of the storms or flooding
12 occurring in December 1996 or January 1997, or any related
13 casualty, sustained in any county of this state subject to a disaster
14 declaration with respect to the storms or flooding.

15 (19) Any loss sustained as a result of the storms or flooding
16 occurring in February 1998, or any related casualty, sustained in
17 any county of this state subject to a disaster declaration with respect
18 to the storms or flooding.

19 (20) Any loss sustained as a result of a freeze occurring in the
20 winter of 1998–99, or any related casualty, sustained in any county
21 of this state subject to a disaster declaration with respect to the
22 freeze.

23 (21) Any loss sustained as a result of an earthquake occurring
24 in September 2000, that was included in the Governor’s
25 proclamation of a state of emergency for the County of Napa.

26 (22) Any loss sustained as a result of the Middle River levee
27 break in San Joaquin County occurring in June 2004.

28 (23) Any losses sustained as a result of the fires that occurred
29 in the Counties of Los Angeles, *Riverside*, San Bernardino,
30 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
31 or as a result of floods, mudflows, and debris flows, directly related
32 to fires.

33 (24) Any losses sustained in the Counties of Santa Barbara and
34 San Luis Obispo as a result of the San Simeon earthquake,
35 aftershocks, and any other related casualties.

36 (25) Any losses sustained as a result of the wildfires that
37 occurred in Shasta County, commencing August 11, 2004, and
38 any other related casualty.

39 (26) Any loss sustained in the Counties of Kern, Los Angeles,
40 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,

1 and Ventura as a result of the severe rainstorms, related flooding
2 and slides, and any other related casualties, that occurred in
3 December 2004, January 2005, February 2005, March 2005, or
4 June 2005.

5 (27) Any loss sustained in the Counties of Alameda, Alpine,
6 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
7 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
8 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
9 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
10 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
11 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
12 the severe rainstorms, related flooding and slides, and any other
13 related casualties, that occurred in December 2005, January 2006,
14 March 2006, or April 2006.

15 (28) Any loss sustained in the County of San Bernardino as a
16 result of the wildfires that occurred in July 2006.

17 (29) *Any loss sustained in the County of Riverside as a result*
18 *of wildfires that occurred in October 2006.*

19 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
20 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
21 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
22 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*
23 *of the Governor's proclamations of a state of emergency for the*
24 *severe freezing conditions that occurred in January 2007.*

25 (b) (1) In the case of any loss allowed under Section 165 of the
26 Internal Revenue Code, relating to losses, any excess disaster loss
27 shall be carried forward to each of the five taxable years following
28 the taxable year for which the loss is claimed. However, if there
29 is any excess disaster loss remaining after the five-year period,
30 then the applicable percentage, as set forth in paragraph (1) of
31 subdivision (b) of Section 24416, of that excess disaster loss shall
32 be carried forward to each of the next 10 taxable years.

33 (2) The entire amount of any excess disaster loss as defined in
34 subdivision (c) shall be carried to the earliest of the taxable years
35 to which, by reason of subdivision (b), the loss may be carried.
36 The portion of the loss which shall be carried to each of the other
37 taxable years shall be the excess, if any, of the amount of excess
38 disaster loss over the sum of the net income for each of the prior
39 taxable years to which that excess disaster loss is carried.

1 (c) “Excess disaster loss” means a disaster loss computed
2 pursuant to Section 165 of the Internal Revenue Code, which
3 exceeds the net income of the year of loss or, if the election under
4 Section 165(i) of the Internal Revenue Code is made, the net
5 income of the year preceding the loss.

6 (d) The provisions of this section and Section 165(i) of the
7 Internal Revenue Code shall be applicable to any of the losses
8 listed in subdivision (a) sustained in any county or city in this state
9 which was proclaimed by the Governor to be in a state of disaster.

10 (e) Any corporation subject to the provisions of Section 25101
11 or 25101.15 that has disaster losses pursuant to this section, shall
12 determine the excess disaster loss to be carried to other taxable
13 years under the principles specified in Section 25108 relating to
14 net operating losses.

15 (f) Losses allowable under this section may not be taken into
16 account in computing a net operating loss deduction under Section
17 172 of the Internal Revenue Code.

18 (g) For losses described in paragraphs (15) to ~~(28)~~ (30),
19 inclusive, of subdivision (a), the election under Section 165(i) of
20 the Internal Revenue Code may be made on a return or amended
21 return filed on or before the due date of the return (determined
22 with regard to extension) for the taxable year in which the disaster
23 occurred.

24 *SEC. 6.9. Section 24347.5 of the Revenue and Taxation Code*
25 *is amended to read:*

26 24347.5. (a) An excess disaster loss, as defined in subdivision
27 (c), shall be carried to other taxable years as provided in
28 subdivision (b), with respect to losses resulting from any of the
29 following disasters:

30 (1) Forest fire or any other related casualty occurring in 1985
31 in California.

32 (2) Storm, flooding, or any other related casualty occurring in
33 1986 in California.

34 (3) Any loss sustained during 1987 as a result of a forest fire or
35 any other related casualty.

36 (4) Earthquake, aftershock, or any other related casualty
37 occurring in October 1987 in California.

38 (5) Earthquake, aftershock, or any other related casualty
39 occurring in October 1989 in California.

- 1 (6) Any loss sustained during 1990 as a result of fire or any
2 other related casualty in California.
- 3 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
4 of 1991, or any other related casualty.
- 5 (8) Any loss sustained as a result of storm, flooding, or any
6 other related casualty occurring in February 1992 in California.
- 7 (9) Earthquake, aftershock, or any other related casualty
8 occurring in April 1992 in the County of Humboldt.
- 9 (10) Riots, arson, or any other related casualty occurring in
10 April or May 1992 in California.
- 11 (11) Any loss sustained as a result of the earthquakes or any
12 other related casualty that occurred in the County of San
13 Bernardino in June and July of 1992.
- 14 (12) Any loss sustained as a result of the Fountain Fire that
15 occurred in the County of Shasta, or as a result of either of the
16 fires in the Counties of Calaveras and Trinity that occurred in
17 August 1992, or any other related casualty.
- 18 (13) Any loss sustained as a result of storm, flooding, or any
19 other related casualty that occurred in the Counties of Alpine,
20 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
21 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
22 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
23 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
24 Fillmore in January 1993.
- 25 (14) Any loss sustained as a result of a fire that occurred in the
26 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
27 Diego, and Ventura, during October or November of 1993, or any
28 other related casualty.
- 29 (15) Any loss sustained as a result of the earthquake, aftershocks,
30 or any other related casualty that occurred in the Counties of Los
31 Angeles, Orange, and Ventura on or after January 17, 1994.
- 32 (16) Any loss sustained as a result of a fire that occurred in the
33 County of San Luis Obispo during August of 1994, or any other
34 related casualty.
- 35 (17) Any loss sustained as a result of the storms or flooding
36 occurring in 1995, or any other related casualty, sustained in any
37 county of this state subject to a disaster declaration with respect
38 to the storms and flooding.
- 39 (18) Any loss sustained as a result of the storms or flooding
40 occurring in December 1996 or January 1997, or any related

1 casualty, sustained in any county of this state subject to a disaster
2 declaration with respect to the storms or flooding.

3 (19) Any loss sustained as a result of the storms or flooding
4 occurring in February 1998, or any related casualty, sustained in
5 any county of this state subject to a disaster declaration with respect
6 to the storms or flooding.

7 (20) Any loss sustained as a result of a freeze occurring in the
8 winter of 1998–99, or any related casualty, sustained in any county
9 of this state subject to a disaster declaration with respect to the
10 freeze.

11 (21) Any loss sustained as a result of an earthquake occurring
12 in September 2000, that was included in the Governor’s
13 proclamation of a state of emergency for the County of Napa.

14 (22) Any loss sustained as a result of the Middle River levee
15 break in San Joaquin County occurring in June 2004.

16 (23) Any losses sustained as a result of the fires that occurred
17 in the Counties of Los Angeles, *Riverside*, San Bernardino,
18 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
19 or as a result of floods, mudflows, and debris flows, directly related
20 to fires.

21 (24) Any losses sustained in the Counties of Santa Barbara and
22 San Luis Obispo as a result of the San Simeon earthquake,
23 aftershocks, and any other related casualties.

24 (25) Any losses sustained as a result of the wildfires that
25 occurred in Shasta County, commencing August 11, 2004, and
26 any other related casualty.

27 (26) Any loss sustained in the Counties of Kern, Los Angeles,
28 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
29 and Ventura as a result of the severe rainstorms, related flooding
30 and slides, and any other related casualties, that occurred in
31 December 2004, January 2005, February 2005, March 2005, or
32 June 2005.

33 (27) Any loss sustained in the Counties of Alameda, Alpine,
34 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
35 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
36 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
37 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
38 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
39 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
40 the severe rainstorms, related flooding and slides, and any other

1 related casualties, that occurred in December 2005, January 2006,
2 March 2006, or April 2006.

3 (28) Any loss sustained in the County of San Bernardino as a
4 result of the wildfires that occurred in July 2006.

5 (29) *Any loss sustained in the Counties of Riverside and Ventura*
6 *as a result of wildfires that occurred during the 2006 calendar*
7 *year.*

8 (30) *Any loss sustained in the County of El Dorado as a result*
9 *of wildfires that occurred in June 2007.*

10 (b) (1) In the case of any loss allowed under Section 165 of the
11 Internal Revenue Code, relating to losses, any excess disaster loss
12 shall be carried forward to each of the five taxable years following
13 the taxable year for which the loss is claimed. However, if there
14 is any excess disaster loss remaining after the five-year period,
15 then the applicable percentage, as set forth in paragraph (1) of
16 subdivision (b) of Section 24416, of that excess disaster loss shall
17 be carried forward to each of the next 10 taxable years.

18 (2) The entire amount of any excess disaster loss as defined in
19 subdivision (c) shall be carried to the earliest of the taxable years
20 to which, by reason of subdivision (b), the loss may be carried.
21 The portion of the loss which shall be carried to each of the other
22 taxable years shall be the excess, if any, of the amount of excess
23 disaster loss over the sum of the net income for each of the prior
24 taxable years to which that excess disaster loss is carried.

25 (c) “Excess disaster loss” means a disaster loss computed
26 pursuant to Section 165 of the Internal Revenue Code, which
27 exceeds the net income of the year of loss or, if the election under
28 Section 165(i) of the Internal Revenue Code is made, the net
29 income of the year preceding the loss.

30 (d) The provisions of this section and Section 165(i) of the
31 Internal Revenue Code shall be applicable to any of the losses
32 listed in subdivision (a) sustained in any county or city in this state
33 which was proclaimed by the Governor to be in a state of disaster.

34 (e) Any corporation subject to the provisions of Section 25101
35 or 25101.15 that has disaster losses pursuant to this section, shall
36 determine the excess disaster loss to be carried to other taxable
37 years under the principles specified in Section 25108 relating to
38 net operating losses.

1 (f) Losses allowable under this section may not be taken into
2 account in computing a net operating loss deduction under Section
3 172 of the Internal Revenue Code.

4 (g) For losses described in paragraphs (15) to ~~(28)~~ (30),
5 inclusive, of subdivision (a), the election under Section 165(i) of
6 the Internal Revenue Code may be made on a return or amended
7 return filed on or before the due date of the return (determined
8 with regard to extension) for the taxable year in which the disaster
9 occurred.

10 SEC. 7. It is the intent of the Legislature to provide in the
11 annual Budget Act those additional reimbursements to local
12 governments that, as a result of Section 4 of this act, are required
13 by Section 25 of Article XIII of the California Constitution.

14 SEC. 8. The Legislature finds and declares that this act fulfills
15 a statewide public purpose because of all of the following:

16 (a) The Governor of California has officially proclaimed a state
17 of emergency declaring that the wildfires that occurred within the
18 County of Riverside, commencing on October 26, 2006, constitute
19 conditions of extreme peril to public health and safety to persons
20 and property within that county, thus qualifying affected persons
21 for various forms of governmental assistance and relief.

22 (b) This act is consistent with, and supplements, the proclaimed
23 disaster assistance and relief by providing necessary fiscal
24 assistance and tax relief to affected jurisdictions and persons to
25 allow them to maintain essential basic services and repair damage
26 to, and restore, their homes and businesses.

27 SEC. 9. If the Commission on State Mandates determines
28 that this act contains costs mandated by the state, reimbursement
29 to local agencies and school districts for those costs shall be made
30 pursuant to Part 7 (commencing with Section 17500) of Division
31 4 of Title 2 of the Government Code.

32 SEC. 10. (a) (1) Section 4.5 of this bill incorporates
33 amendments to Section 218 of the Revenue and Taxation Code
34 proposed by this bill, SB 114, and AB 62. It shall only become
35 operative if (1) all three bills are enacted and become effective on
36 or before January 1, 2008, (2) all three bills amend Section 218
37 of the Revenue and Taxation Code, and (3) this bill is enacted after
38 SB 114 and AB 62, in which case Section 218 of the Revenue and
39 Taxation Code, as amended by SB 114 and AB 62, shall remain
40 operative only until the operative date of this bill, at which time

1 Section 4.5 of this bill shall become operative, and Section 4 of
2 this bill shall not become operative.

3 (2) Section 4.7 of this bill incorporates amendments to Section
4 218 of the Revenue and Taxation Code proposed by this bill and
5 SB 114. It shall only become operative if (1) both bills are enacted
6 and become effective on or before January 1, 2008, (2) each bill
7 amends Section 218 of the Revenue and Taxation Code, (3) AB 62
8 is not enacted, or if enacted, does not amend Section 218 of the
9 Revenue and Taxation Code, and (4) this bill is enacted after SB
10 114, in which case Section 218 of the Revenue and Taxation Code,
11 as amended by SB 114, shall remain operative only until the
12 operative date of this bill, at which time Section 4.7 of this bill
13 shall become operative, and Section 4 of this bill shall not become
14 operative.

15 (3) Section 4.9 of this bill incorporates amendments to Section
16 218 of the Revenue and Taxation Code proposed by this bill and
17 AB 62. It shall only become operative if (1) both bills are enacted
18 and become effective on or before January 1, 2008, (2) each bill
19 amends Section 218 of the Revenue and Taxation Code, (3) SB
20 114 is not enacted, or if enacted, does not amend Section 218 of
21 the Revenue and Taxation Code, and (4) this bill is enacted after
22 AB 62, in which case Section 218 of the Revenue and Taxation
23 Code, as amended by AB 62, shall remain operative only until the
24 operative date of this bill, at which time Section 4.9 of this bill
25 shall become operative, and Section 4 of this bill shall not become
26 operative.

27 (b) (1) Section 5.5 of this bill incorporates amendments to
28 Section 17207 of the Revenue and Taxation Code proposed by this
29 bill, SB 114, and AB 62. It shall only become operative if (1) all
30 three bills are enacted and become effective on or before January
31 1, 2008, (2) all three bills amend Section 17207 of the Revenue
32 and Taxation Code, and (3) this bill is enacted after SB 114 and
33 AB 62, in which case Section 17207 of the Revenue and Taxation
34 Code, as amended by SB 114 and AB 62, shall remain operative
35 only until the operative date of this bill, at which time Section 5.5
36 of this bill shall become operative, and Section 5 of this bill shall
37 not become operative.

38 (2) Section 5.7 of this bill incorporates amendments to Section
39 17207 of the Revenue and Taxation Code proposed by this bill and
40 SB 114. It shall only become operative if (1) both bills are enacted

1 *and become effective on or before January 1, 2008, (2) each bill*
2 *amends Section 17207 of the Revenue and Taxation Code, (3) AB*
3 *62 is not enacted, or if enacted, does not amend Section 17207 of*
4 *the Revenue and Taxation Code, and (4) this bill is enacted after*
5 *SB 114, in which case Section 17207 of the Revenue and Taxation*
6 *Code, as amended by SB 114, shall remain operative only until*
7 *the operative date of this bill, at which time Section 5.7 of this bill*
8 *shall become operative, and Section 5 of this bill shall not become*
9 *operative.*

10 *(3) Section 5.9 of this bill incorporates amendments to Section*
11 *17207 of the Revenue and Taxation Code proposed by this bill and*
12 *AB 62. It shall only become operative if (1) both bills are enacted*
13 *and become effective on or before January 1, 2008, (2) each bill*
14 *amends Section 17207 of the Revenue and Taxation Code, (3) AB*
15 *114 is not enacted, or if enacted, does not amend Section 17207*
16 *of the Revenue and Taxation Code, and (4) this bill is enacted after*
17 *AB 62, in which case Section 17207 of the Revenue and Taxation*
18 *Code, as amended by AB 62, shall remain operative only until the*
19 *operative date of this bill, at which time Section 5.9 of this bill*
20 *shall become operative, and Section 5 of this bill shall not become*
21 *operative.*

22 *(c) (1) Section 6.5 of this bill incorporates amendments to*
23 *Section 24347.5 of the Revenue and Taxation Code proposed by*
24 *this bill, SB 114, and AB 62. It shall only become operative if (1)*
25 *all three bills are enacted and become effective on or before*
26 *January 1, 2008, (2) all three bills amend Section 24347.5 of the*
27 *Revenue and Taxation Code, and (3) this bill is enacted after SB*
28 *114 and AB 62, in which case Section 24347.5 of the Revenue and*
29 *Taxation Code, as amended by SB 114 and AB 62, shall remain*
30 *operative only until the operative date of this bill, at which time*
31 *Section 6.5 of this bill shall become operative, and Section 6 of*
32 *this bill shall not become operative.*

33 *(2) Section 6.7 of this bill incorporates amendments to Section*
34 *24347.5 of the Revenue and Taxation Code proposed by this bill*
35 *and SB 114. It shall only become operative if (1) both bills are*
36 *enacted and become effective on or before January 1, 2008, (2)*
37 *each bill amends Section 24347.5 of the Revenue and Taxation*
38 *Code, (3) AB 62 is not enacted, or if enacted, does not amend*
39 *Section 24347.5 of the Revenue and Taxation Code, (3) SB 114 is*
40 *not amended, or if enacted, does not amend Section 24347.5 of*

1 *the Revenue and Taxation Code, and (4) this bill is enacted after*
2 *SB 114, in which case Section 24347.5 of the Revenue and Taxation*
3 *Code, as amended by SB 114, shall remain operative only until*
4 *the operative date of this bill, at which time Section 6.7 of this bill*
5 *shall become operative, and Section 6 of this bill shall not become*
6 *operative.*

7 *(3) Section 6.9 of this bill incorporates amendments to Section*
8 *24347.5 of the Revenue and Taxation Code proposed by this bill*
9 *and AB 62. It shall only become operative if (1) both bills are*
10 *enacted and become effective on or before January 1, 2008, (2)*
11 *each bill amends Section 24347.5 of the Revenue and Taxation*
12 *Code, (3) SB 38 is not enacted, or if enacted, does not amend*
13 *Section 24347.5 of the Revenue and Taxation Code, and (4) this*
14 *bill is enacted after AB 62, in which case Section 24347.5 of the*
15 *Revenue and Taxation Code, as amended by AB 62, shall remain*
16 *operative only until the operative date of this bill, at which time*
17 *Section 6.9 of this bill shall become operative, and Section 6 of*
18 *this bill shall not become operative.*

19 ~~SEC. 10.~~

20 *SEC. 11.* This act is an urgency statute necessary for the
21 immediate preservation of the public peace, health, or safety within
22 the meaning of Article IV of the Constitution and shall go into
23 immediate effect. The facts constituting the necessity are:

24 In order to timely provide essential relief to those persons and
25 jurisdictions who have suffered damage or loss as a result of the
26 wildfires that occurred in the County of Riverside, commencing
27 on October 26, 2006, it is necessary that this act take effect
28 immediately.

O