

AMENDED IN ASSEMBLY AUGUST 20, 2007

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.

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

Vote: $\frac{2}{3}$. 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~~ *October 31*, 2007, the auditor
4 of the County 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

1 certified shall not include any estimated property tax revenue
2 reductions to school districts, other than basic state aid school
3 districts, and county offices of education.

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

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

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

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

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

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

1 Education Code, but receives from the state only a basic
2 apportionment pursuant to Section 6 of Article IX of the California
3 Constitution.

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

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

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

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

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

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

24 (B) "Dwelling" includes the following:

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

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

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

31 (iv) Premises occupied by the owner of shares or a membership
32 interest in a cooperative housing corporation, as defined in
33 subdivision (i) of Section 61, as his or her principal place of
34 residence on the lien date. Each exemption allowed pursuant to
35 this subdivision shall be deducted from the total assessed valuation
36 of the cooperative housing corporation. The exemption shall be
37 taken into account in apportioning property taxes among owners
38 of share or membership interests in the cooperative housing
39 corporations so as to benefit those owners who qualify for the
40 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 *as a*
30 *result of this disaster* in the County of Riverside, as declared by
31 the Governor in October 2006, and that has not changed ownership
32 since October 26, 2006, shall not be disqualified as a “dwelling”
33 or be denied an exemption under this section solely on the basis
34 that the dwelling was temporarily damaged or destroyed or was
35 being reconstructed by the owner, or was temporarily uninhabited
36 as a result of restricted 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 *of the wildfires* listed in
27 the Governor’s proclamations of 2006 that was damaged or
28 destroyed by the wildfires and any other related casualty that
29 occurred in the Counties of Riverside and Ventura, and that has
30 not changed ownership since the commencement dates *of these*
31 *disasters as* listed in the Governor’s proclamations of 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) Any dwelling that qualified for an exemption under this
38 section prior to January 11, 2007, that was damaged or destroyed
39 by severe freezing conditions, commencing January 11, 2007, and
40 any other related casualty that occurred in the Counties of El

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

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

21 (n) *Any dwelling that qualified for an exemption under this*
22 *section prior to July 4, 2007, that was damaged or destroyed by*
23 *the Zaca Fire and any other related casualty that occurred as a*
24 *result of this disaster in the County of Santa Barbara, as declared*
25 *by the Governor in August 2007, and that has not changed*
26 *ownership since July 4, 2007, may not be denied an exemption*
27 *solely on the basis that the dwelling was temporarily damaged or*
28 *destroyed or was being reconstructed by the owner, or was*
29 *temporarily uninhabited as a result of restricted access to the*
30 *property due to the Zaca Fire.*

31 ~~(n)~~

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

36 SEC. 4.7. Section 218 of the Revenue and Taxation Code is
37 amended to read:

38 218. (a) The homeowners’ property tax exemption is in the
39 amount of the assessed value of the dwelling specified in this
40 section, as authorized by subdivision (k) of Section 3 of Article

1 XIII of the Constitution. That exemption shall be in the amount
2 of seven thousand dollars (\$7,000) of the full value of the dwelling.

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

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

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

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

16 (B) "Dwelling" includes the following:

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

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

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

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

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

1 (e) Any dwelling that qualified for an exemption under this
2 section prior to October 15, 2003, that was damaged or destroyed
3 by fire or earthquake in a disaster, as declared by the Governor,
4 during October, November, or December 2003, and that has not
5 changed ownership since October 15, 2003, 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 (f) Any dwelling that qualified for an exemption under this
10 section prior to June 3, 2004, that was damaged or destroyed by
11 flood in a disaster, as declared by the Governor, during June 2004,
12 and that has not changed ownership since June 3, 2004, shall not
13 be disqualified as a “dwelling” or be denied an exemption under
14 this section solely on the basis that the dwelling was temporarily
15 damaged or destroyed or was being reconstructed by the owner.

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

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

37 (i) Any dwelling that qualified for an exemption under this
38 section prior to December 19, 2005, that was damaged or destroyed
39 by severe rainstorms, floods, mudslides, or the accumulation of
40 debris in a disaster, as declared by the Governor in January 2006,

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

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

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

29 (l) Any dwelling that qualified for an exemption under this
30 section prior to January 11, 2007, that was damaged or destroyed
31 by severe freezing conditions, commencing January 11, 2007, and
32 any other related casualty that occurred in the Counties of El
33 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
34 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
35 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
36 result of a disaster as declared by the Governor, and that has not
37 changed ownership since January 11, 2007, shall not be disqualified
38 as a “dwelling” or be denied an exemption under this section solely
39 on the basis that the dwelling was temporarily damaged or
40 destroyed or was being reconstructed by the owner, or was

1 temporarily uninhabited as a result of restricted access to the
2 property due to severe freezing conditions.

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

7 SEC. 4.9. Section 218 of the Revenue and Taxation Code is
8 amended to read:

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

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

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

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

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

27 (B) "Dwelling" includes the following:

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

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

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

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

1 of share or membership interests in the cooperative housing
2 corporations so as to benefit those owners who qualify for the
3 exemption.

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

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

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

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

36 (h) Any dwelling that qualified for an exemption under this
37 section prior to December 28, 2004, that was damaged or destroyed
38 by severe rainstorms, floods, mudslides, or the accumulation of
39 debris in a disaster, as declared by the Governor, during December
40 2004, January 2005, February 2005, March 2005, or June 2005,

1 and that has not changed ownership since December 28, 2004,
2 shall not be disqualified as a “dwelling” or be denied an exemption
3 under this section solely on the basis that the dwelling was
4 temporarily damaged or destroyed or was being reconstructed by
5 the owner, or was temporarily uninhabited as a result of restricted
6 access to the property due to floods, mudslides, the accumulation
7 of debris, or washed-out or damaged roads.

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

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

30 (k) Any dwelling that qualified for an exemption under this
31 section prior to the commencement dates *of the wildfires* listed in
32 the Governor’s proclamations of 2006 that was damaged or
33 destroyed by the wildfires and any other related casualty that
34 occurred in the Counties of Riverside and Ventura, and that has
35 not changed ownership since the commencement dates *of these*
36 *disasters as* listed in the Governor’s proclamations of 2006 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 (l) Any dwelling that qualified for an exemption under this
4 section prior to June 24, 2007, that was damaged or destroyed by
5 the wildfires and any other related casualty that occurred *as a result*
6 *of this disaster* in the County of El Dorado, as declared by the
7 Governor in June 2007, and that has not changed ownership since
8 June 24, 2007, shall not be disqualified as a “dwelling” or be denied
9 an exemption under this section solely on the basis that the
10 dwelling was temporarily damaged or destroyed or was being
11 reconstructed by the owner, or was temporarily uninhabited as a
12 result of restricted access to the property due to the wildfires.

13 (m) Any dwelling that qualified for an exemption under this
14 section prior to July 4, 2007, that was damaged or destroyed by
15 the Zaca Fire and any other related casualty that occurred as a
16 result of this disaster in the County of Santa Barbara, as declared
17 by the Governor in August 2007, and that has not changed
18 ownership since July 4, 2007, may not be denied an exemption
19 solely on the basis that the dwelling was temporarily damaged or
20 destroyed or was being reconstructed by the owner, or was
21 temporarily uninhabited as a result of restricted access to the
22 property due to the Zaca Fire.

23 ~~(m)~~

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

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

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

34 (1) Forest fire or any other related casualty occurring in 1985
35 in California.

36 (2) Storm, flooding, or any other related casualty occurring in
37 1986 in California.

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

- 1 (4) Earthquake, aftershock, or any other related casualty
2 occurring in 1987 in California.
- 3 (5) Earthquake, aftershock, or any other related casualty
4 occurring in 1989 in California.
- 5 (6) Any loss sustained during 1990 as a result of fire or any
6 other related casualty in California.
- 7 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
8 of 1991, or any other related casualty.
- 9 (8) Any loss sustained as a result of storm, flooding, or any
10 other related casualty occurring in February 1992 in California.
- 11 (9) Earthquake, aftershock, or any other related casualty
12 occurring in April 1992 in the County of Humboldt.
- 13 (10) Riots, arson, or any other related casualty occurring in
14 April or May 1992 in California.
- 15 (11) Any loss sustained as a result of the earthquakes that
16 occurred in the County of San Bernardino in June and July of 1992,
17 or any other related casualty.
- 18 (12) Any loss sustained as a result of the Fountain Fire that
19 occurred in the County of Shasta, or as a result of either of the
20 fires in the Counties of Calaveras and Trinity that occurred in
21 August 1992, or any other related casualty.
- 22 (13) Any loss sustained as a result of storm, flooding, or any
23 other related casualty that occurred in the Counties of Alpine,
24 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
25 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
26 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
27 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
28 Fillmore in January 1993.
- 29 (14) Any loss sustained as a result of a fire that occurred in the
30 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
31 Diego, and Ventura, during October or November of 1993, or any
32 other related casualty.
- 33 (15) Any loss sustained as a result of the earthquake, aftershocks,
34 or any other related casualty that occurred in the Counties of Los
35 Angeles, Orange, and Ventura on or after January 17, 1994.
- 36 (16) Any loss sustained as a result of a fire that occurred in the
37 County of San Luis Obispo during August of 1994, or any other
38 related casualty.
- 39 (17) Any loss sustained as a result of the storms or flooding
40 occurring in 1995, or any other related casualty, sustained in any

1 county of this state subject to a disaster declaration with respect
2 to the storms and flooding.

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

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

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

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

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

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

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

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

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

36 (27) Any loss sustained in the Counties of Alameda, Alpine,
37 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
38 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
39 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
40 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,

1 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
2 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
3 the severe rainstorms, related flooding and slides, and any other
4 related casualties, that occurred in December 2005, January 2006,
5 March 2006, or April 2006.

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

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

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

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

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

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

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

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

6 SEC. 5.5. Section 17207 of the Revenue and Taxation Code
7 is amended to read:

8 17207. (a) An excess disaster loss, as defined in subdivision
9 (c), shall be carried to other taxable years as provided in
10 subdivision (b), with respect to losses resulting from any of the
11 following disasters:

12 (1) Forest fire or any other related casualty occurring in 1985
13 in California.

14 (2) Storm, flooding, or any other related casualty occurring in
15 1986 in California.

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

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

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

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

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

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

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

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

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

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

39 (13) Any loss sustained as a result of storm, flooding, or any
40 other related casualty that occurred in the Counties of Alpine,

1 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
2 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
3 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
4 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
5 Fillmore in January 1993.

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

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

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

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

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

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

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

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

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

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

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

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

35 (32) *Any loss sustained in the County of Santa Barbara as a*
36 *result of the Zaca Fire that occurred during the 2007 calendar*
37 *year.*

38 (b) (1) In the case of any loss allowed under Section 165(c) of
39 the Internal Revenue Code, relating to limitation of losses of
40 individuals, any excess disaster loss shall be carried forward to

1 each of the five taxable years following the taxable year for which
2 the loss is claimed. However, if there is any excess disaster loss
3 remaining after the five-year period, then the applicable percentage,
4 as set forth in paragraph (1) of subdivision (b) of Section 17276,
5 of that excess disaster loss shall be carried forward to each of the
6 next 10 taxable years.

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

15 (c) “Excess disaster loss” means a disaster loss computed
16 pursuant to Section 165 of the Internal Revenue Code which
17 exceeds the adjusted taxable income of the year of loss or, if the
18 election under Section 165(i) of the Internal Revenue Code is
19 made, the adjusted taxable income of the year preceding the loss.

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

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

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

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

35 SEC. 5.7. Section 17207 of the Revenue and Taxation Code
36 is amended to read:

37 17207. (a) An excess disaster loss, as defined in subdivision
38 (c), shall be carried to other taxable years as provided in
39 subdivision (b), with respect to losses resulting from any of the
40 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 1987 in California.
- 9 (5) Earthquake, aftershock, or any other related casualty
10 occurring in 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 that
22 occurred in the County of San Bernardino in June and July of 1992,
23 or any other related casualty.
- 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, San
30 Diego, and Ventura in October and November 2003, or as a result
31 of floods, mudflows, and debris flows, directly related to fires.

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

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

38 (26) Any loss sustained in the Counties of Kern, Los Angeles,
39 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
40 and Ventura as a result of the severe rainstorms, related flooding

1 and slides, and any other related casualties, that occurred in
2 December 2004, January 2005, February 2005, March 2005, or
3 June 2005.

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

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

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

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

24 (b) (1) In the case of any loss allowed under Section 165(c) of
25 the Internal Revenue Code, relating to limitation of losses of
26 individuals, any excess disaster loss shall be carried forward to
27 each of the five taxable years following the taxable year for which
28 the loss is claimed. However, if there is any excess disaster loss
29 remaining after the five-year period, then the applicable percentage,
30 as set forth in paragraph (1) of subdivision (b) of Section 17276,
31 of that excess disaster loss shall be carried forward to each of the
32 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 adjusted taxable income for each
39 of the prior taxable years to which that excess disaster loss is
40 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 adjusted taxable income of the year of loss or, if the
4 election under Section 165(i) of the Internal Revenue Code is
5 made, the adjusted taxable 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) Losses allowable under this section may not be taken into
11 account in computing a net operating loss deduction under Section
12 172 of the Internal Revenue Code.

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

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

21 SEC. 5.9. Section 17207 of the Revenue and Taxation Code
22 is amended to read:

23 17207. (a) An excess disaster loss, as defined in subdivision
24 (c), shall be carried to other taxable years as provided in
25 subdivision (b), with respect to losses resulting from any of the
26 following disasters:

27 (1) Forest fire or any other related casualty occurring in 1985
28 in California.

29 (2) Storm, flooding, or any other related casualty occurring in
30 1986 in California.

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

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

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

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

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

- 1 (8) Any loss sustained as a result of storm, flooding, or any
2 other related casualty occurring in February 1992 in California.
- 3 (9) Earthquake, aftershock, or any other related casualty
4 occurring in April 1992 in the County of Humboldt.
- 5 (10) Riots, arson, or any other related casualty occurring in
6 April or May 1992 in California.
- 7 (11) Any loss sustained as a result of the earthquakes that
8 occurred in the County of San Bernardino in June and July of 1992,
9 or any other related casualty.
- 10 (12) Any loss sustained as a result of the Fountain Fire that
11 occurred in the County of Shasta, or as a result of either of the
12 fires in the Counties of Calaveras and Trinity that occurred in
13 August 1992, or any other related casualty.
- 14 (13) Any loss sustained as a result of storm, flooding, or any
15 other related casualty that occurred in the Counties of Alpine,
16 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
17 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
18 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
19 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
20 Fillmore in January 1993.
- 21 (14) Any loss sustained as a result of a fire that occurred in the
22 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
23 Diego, and Ventura, during October or November of 1993, or any
24 other related casualty.
- 25 (15) Any loss sustained as a result of the earthquake, aftershocks,
26 or any other related casualty that occurred in the Counties of Los
27 Angeles, Orange, and Ventura on or after January 17, 1994.
- 28 (16) Any loss sustained as a result of a fire that occurred in the
29 County of San Luis Obispo during August of 1994, or any other
30 related casualty.
- 31 (17) Any loss sustained as a result of the storms or flooding
32 occurring in 1995, or any other related casualty, sustained in any
33 county of this state subject to a disaster declaration with respect
34 to the storms and flooding.
- 35 (18) Any loss sustained as a result of the storms or flooding
36 occurring in December 1996 or January 1997, or any related
37 casualty, sustained in any county of this state subject to a disaster
38 declaration with respect to the storms or flooding.
- 39 (19) Any loss sustained as a result of the storms or flooding
40 occurring in February 1998, or any related casualty, sustained in

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

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

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

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

12 (23) Any losses sustained as a result of the fires that occurred
13 in the Counties of Los Angeles, Riverside, San Bernardino, San
14 Diego, and Ventura in October and November 2003, or as a result
15 of floods, mudflows, and debris flows, directly related to fires.

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

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

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

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

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

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

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

5 *(31) Any loss sustained in the County of Santa Barbara as a*
6 *result of the Zaca Fire that occurred during the 2007 calendar*
7 *year.*

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

17 (2) The entire amount of any excess disaster loss as defined in
18 subdivision (c) shall be carried to the earliest of the taxable years
19 to which, by reason of subdivision (b), the loss may be carried.
20 The portion of the loss which shall be carried to each of the other
21 taxable years shall be the excess, if any, of the amount of excess
22 disaster loss over the sum of the adjusted taxable income for each
23 of the prior taxable years to which that excess disaster loss is
24 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 adjusted taxable income of the year of loss or, if the
28 election under Section 165(i) of the Internal Revenue Code is
29 made, the adjusted taxable 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) Losses allowable under this section may not be taken into
35 account in computing a net operating loss deduction under Section
36 172 of the Internal Revenue Code.

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

39 (g) For losses described in paragraphs (15) to ~~(30)~~ (31),
40 inclusive, of subdivision (a), the election under Section 165(i) of

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

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

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

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

13 (2) Storm, flooding, or any other related casualty occurring in
14 1986 in California.

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

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

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

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

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

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

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

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

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

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

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

1 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
2 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
3 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
4 Fillmore in January 1993.

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

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

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

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

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

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

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

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

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

36 (23) Any losses sustained as a result of the fires that occurred
37 in the Counties of Los Angeles, Riverside, San Bernardino, San
38 Diego, and Ventura in October and November 2003, or as a result
39 of floods, mudflows, and debris flows, directly related 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 County of Riverside as a result
26 of the wildfires that occurred in October 2006.

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

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

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

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

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

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

17 (f) Losses allowable under this section may not be taken into
18 account in computing a net operating loss deduction under Section
19 172 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. 6.5. Section 24347.5 of the Revenue and Taxation Code
26 is amended to read:

27 24347.5. (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 October 1987 in California.

39 (5) Earthquake, aftershock, or any other related casualty
40 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 Counties of Riverside and Ventura
6 as a result of wildfires that occurred during the 2006 calendar year.

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

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

15 (32) *Any loss sustained in the County of Santa Barbara as a*
16 *result of the Zaca Fire that occurred during the 2007 calendar*
17 *year.*

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

26 (2) The entire amount of any excess disaster loss as defined in
27 subdivision (c) shall be carried to the earliest of the taxable years
28 to which, by reason of subdivision (b), the loss may be carried.
29 The portion of the loss which shall be carried to each of the other
30 taxable years shall be the excess, if any, of the amount of excess
31 disaster loss over the sum of the net income for each of the prior
32 taxable years to which that excess disaster loss is 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 net income of the year of loss or, if the election under
36 Section 165(i) of the Internal Revenue Code is made, the net
37 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) Any corporation subject to the provisions of Section 25101
4 or 25101.15 that has disaster losses pursuant to this section, shall
5 determine the excess disaster loss to be carried to other taxable
6 years under the principles specified in Section 25108 relating to
7 net operating losses.

8 (f) Losses allowable under this section may not be taken into
9 account in computing a net operating loss deduction under Section
10 172 of the Internal Revenue Code.

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

17 SEC. 6.7. Section 24347.5 of the Revenue and Taxation Code
18 is amended to read:

19 24347.5. (a) An excess disaster loss, as defined in subdivision
20 (c), shall be carried to other taxable years as provided in
21 subdivision (b), with respect to losses resulting from any of the
22 following disasters:

23 (1) Forest fire or any other related casualty occurring in 1985
24 in California.

25 (2) Storm, flooding, or any other related casualty occurring in
26 1986 in California.

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

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

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

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

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

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

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

- 1 (10) Riots, arson, or any other related casualty occurring in
2 April or May 1992 in California.
- 3 (11) Any loss sustained as a result of the earthquakes or any
4 other related casualty that occurred in the County of San
5 Bernardino in June and July of 1992.
- 6 (12) Any loss sustained as a result of the Fountain Fire that
7 occurred in the County of Shasta, or as a result of either of the
8 fires in the Counties of Calaveras and Trinity that occurred in
9 August 1992, or any other related casualty.
- 10 (13) Any loss sustained as a result of storm, flooding, or any
11 other related casualty that occurred in the Counties of Alpine,
12 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
13 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
14 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
15 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
16 Fillmore in January 1993.
- 17 (14) Any loss sustained as a result of a fire that occurred in the
18 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
19 Diego, and Ventura, during October or November of 1993, or any
20 other related casualty.
- 21 (15) Any loss sustained as a result of the earthquake, aftershocks,
22 or any other related casualty that occurred in the Counties of Los
23 Angeles, Orange, and Ventura on or after January 17, 1994.
- 24 (16) Any loss sustained as a result of a fire that occurred in the
25 County of San Luis Obispo during August of 1994, or any other
26 related casualty.
- 27 (17) Any loss sustained as a result of the storms or flooding
28 occurring in 1995, or any other related casualty, sustained in any
29 county of this state subject to a disaster declaration with respect
30 to the storms and flooding.
- 31 (18) Any loss sustained as a result of the storms or flooding
32 occurring in December 1996 or January 1997, or any related
33 casualty, sustained in any county of this state subject to a disaster
34 declaration with respect to the storms or flooding.
- 35 (19) Any loss sustained as a result of the storms or flooding
36 occurring in February 1998, or any related casualty, sustained in
37 any county of this state subject to a disaster declaration with respect
38 to the storms or flooding.
- 39 (20) Any loss sustained as a result of a freeze occurring in the
40 winter of 1998–99, or any related casualty, sustained in any county

1 of this state subject to a disaster declaration with respect to the
2 freeze.

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

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

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

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

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

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

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

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

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

38 (30) Any loss sustained in the Counties of El Dorado, Fresno,
39 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
40 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa

1 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
2 of the Governor’s proclamations of a state of emergency for the
3 severe freezing conditions that occurred in January 2007.

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

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

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

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

33 (f) Losses allowable under this section may not be taken into
34 account in computing a net operating loss deduction under Section
35 172 of the Internal Revenue Code.

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

1 SEC. 6.9. Section 24347.5 of the Revenue and Taxation Code
2 is amended to read:

3 24347.5. (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 October 1987 in California.

15 (5) Earthquake, aftershock, or any other related casualty
16 occurring in October 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 or any
28 other related casualty that occurred in the County of San
29 Bernardino in June and July of 1992.

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

36 (24) Any losses sustained in the Counties of Santa Barbara and
37 San Luis Obispo as a result of the San Simeon earthquake,
38 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 year.

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

26 *(31) Any loss sustained in the County of Santa Barbara as a*
27 *result of the Zaca Fire that occurred during the 2007 calendar*
28 *year.*

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

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

1 taxable years shall be the excess, if any, of the amount of excess
2 disaster loss over the sum of the net income for each of the prior
3 taxable years to which that excess disaster loss is 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 net income of the year of loss or, if the election under
7 Section 165(i) of the Internal Revenue Code is made, the net
8 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) Any corporation subject to the provisions of Section 25101
14 or 25101.15 that has disaster losses pursuant to this section, shall
15 determine the excess disaster loss to be carried to other taxable
16 years under the principles specified in Section 25108 relating to
17 net operating losses.

18 (f) Losses allowable under this section may not be taken into
19 account in computing a net operating loss deduction under Section
20 172 of the Internal Revenue Code.

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

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

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

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

39 (b) This act is consistent with, and supplements, the proclaimed
40 disaster assistance and relief by providing necessary fiscal

1 assistance and tax relief to affected jurisdictions and persons to
2 allow them to maintain essential basic services and repair damage
3 to, and restore, their homes and businesses.

4 SEC. 9. If the Commission on State Mandates determines
5 that this act contains costs mandated by the state, reimbursement
6 to local agencies and school districts for those costs shall be made
7 pursuant to Part 7 (commencing with Section 17500) of Division
8 4 of Title 2 of the Government Code.

9 SEC. 10. (a) (1) Section 4.5 of this bill incorporates
10 amendments to Section 218 of the Revenue and Taxation Code
11 proposed by this bill, SB 114, and AB 62. It shall only become
12 operative if (1) all three bills are enacted and become effective on
13 or before January 1, 2008, (2) all three bills amend Section 218 of
14 the Revenue and Taxation Code, and (3) this bill is enacted after
15 SB 114 and AB 62, in which case Section 218 of the Revenue and
16 Taxation Code, as amended by SB 114 and AB 62, shall remain
17 operative only until the operative date of this bill, at which time
18 Section 4.5 of this bill shall become operative, and Section 4 of
19 this bill shall not become operative.

20 (2) Section 4.7 of this bill incorporates amendments to Section
21 218 of the Revenue and Taxation Code proposed by this bill and
22 SB 114. It shall only become operative if (1) both bills are enacted
23 and become effective on or before January 1, 2008, (2) each bill
24 amends Section 218 of the Revenue and Taxation Code, (3) AB
25 62 is not enacted, or if enacted, does not amend Section 218 of the
26 Revenue and Taxation Code, and (4) this bill is enacted after SB
27 114, in which case Section 218 of the Revenue and Taxation Code,
28 as amended by SB 114, shall remain operative only until the
29 operative date of this bill, at which time Section 4.7 of this bill
30 shall become operative, and Section 4 of this bill shall not become
31 operative.

32 (3) Section 4.9 of this bill incorporates amendments to Section
33 218 of the Revenue and Taxation Code proposed by this bill and
34 AB 62. It shall only become operative if (1) both bills are enacted
35 and become effective on or before January 1, 2008, (2) each bill
36 amends Section 218 of the Revenue and Taxation Code, (3) SB
37 114 is not enacted, or if enacted, does not amend Section 218 of
38 the Revenue and Taxation Code, and (4) this bill is enacted after
39 AB 62, in which case Section 218 of the Revenue and Taxation
40 Code, as amended by AB 62, shall remain operative only until the

1 operative date of this bill, at which time Section 4.9 of this bill
2 shall become operative, and Section 4 of this bill shall not become
3 operative.

4 (b) (1) Section 5.5 of this bill incorporates amendments to
5 Section 17207 of the Revenue and Taxation Code proposed by
6 this bill, SB 114, and AB 62. It shall only become operative if (1)
7 all three bills are enacted and become effective on or before January
8 1, 2008, (2) all three bills amend Section 17207 of the Revenue
9 and Taxation Code, and (3) this bill is enacted after SB 114 and
10 AB 62, in which case Section 17207 of the Revenue and Taxation
11 Code, as amended by SB 114 and AB 62, shall remain operative
12 only until the operative date of this bill, at which time Section 5.5
13 of this bill shall become operative, and Section 5 of this bill shall
14 not become operative.

15 (2) Section 5.7 of this bill incorporates amendments to Section
16 17207 of the Revenue and Taxation Code proposed by this bill
17 and SB 114. It shall only become operative if (1) both bills are
18 enacted and become effective on or before January 1, 2008, (2)
19 each bill amends Section 17207 of the Revenue and Taxation Code,
20 (3) AB 62 is not enacted, or if enacted, does not amend Section
21 17207 of the Revenue and Taxation Code, and (4) this bill is
22 enacted after SB 114, in which case Section 17207 of the Revenue
23 and Taxation Code, as amended by SB 114, shall remain operative
24 only until the operative date of this bill, at which time Section 5.7
25 of this bill shall become operative, and Section 5 of this bill shall
26 not become operative.

27 (3) Section 5.9 of this bill incorporates amendments to Section
28 17207 of the Revenue and Taxation Code proposed by this bill
29 and AB 62. It shall only become operative if (1) both bills are
30 enacted and become effective on or before January 1, 2008, (2)
31 each bill amends Section 17207 of the Revenue and Taxation Code,
32 (3) AB 114 is not enacted, or if enacted, does not amend Section
33 17207 of the Revenue and Taxation Code, and (4) this bill is
34 enacted after AB 62, in which case Section 17207 of the Revenue
35 and Taxation Code, as amended by AB 62, shall remain operative
36 only until the operative date of this bill, at which time Section 5.9
37 of this bill shall become operative, and Section 5 of this bill shall
38 not become operative.

39 (c) (1) Section 6.5 of this bill incorporates amendments to
40 Section 24347.5 of the Revenue and Taxation Code proposed by

1 this bill, SB 114, and AB 62. It shall only become operative if (1)
2 all three bills are enacted and become effective on or before January
3 1, 2008, (2) all three bills amend Section 24347.5 of the Revenue
4 and Taxation Code, and (3) this bill is enacted after SB 114 and
5 AB 62, in which case Section 24347.5 of the Revenue and Taxation
6 Code, as amended by SB 114 and AB 62, shall remain operative
7 only until the operative date of this bill, at which time Section 6.5
8 of this bill shall become operative, and Section 6 of this bill shall
9 not become operative.

10 (2) Section 6.7 of this bill incorporates amendments to Section
11 24347.5 of the Revenue and Taxation Code proposed by this bill
12 and SB 114. It shall only become operative if (1) both bills are
13 enacted and become effective on or before January 1, 2008, (2)
14 each bill amends Section 24347.5 of the Revenue and Taxation
15 Code, (3) AB 62 is not enacted, or if enacted, does not amend
16 Section 24347.5 of the Revenue and Taxation Code, (3) SB 114
17 is not amended, or if enacted, does not amend Section 24347.5 of
18 the Revenue and Taxation Code, and (4) this bill is enacted after
19 SB 114, in which case Section 24347.5 of the Revenue and
20 Taxation Code, as amended by SB 114, shall remain operative
21 only until the operative date of this bill, at which time Section 6.7
22 of this bill shall become operative, and Section 6 of this bill shall
23 not become operative.

24 (3) Section 6.9 of this bill incorporates amendments to Section
25 24347.5 of the Revenue and Taxation Code proposed by this bill
26 and AB 62. It shall only become operative if (1) both bills are
27 enacted and become effective on or before January 1, 2008, (2)
28 each bill amends Section 24347.5 of the Revenue and Taxation
29 Code, (3) SB 38 is not enacted, or if enacted, does not amend
30 Section 24347.5 of the Revenue and Taxation Code, and (4) this
31 bill is enacted after AB 62, in which case Section 24347.5 of the
32 Revenue and Taxation Code, as amended by AB 62, shall remain
33 operative only until the operative date of this bill, at which time
34 Section 6.9 of this bill shall become operative, and Section 6 of
35 this bill shall not become operative.

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

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

O