

AMENDED IN ASSEMBLY AUGUST 27, 2007

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 October 31, 2007, the auditor of the County  
4 of Riverside, which was the subject of the Governor’s proclamation  
5 of a state of emergency for the wildfires that commenced on  
6 October 26, 2006, shall certify to the Director of Finance an  
7 estimate of the total amount of the reduction in property tax  
8 revenues on both the regular secured roll and the supplemental  
9 roll for the 2006–07 fiscal year resulting from the reassessment  
10 by the county assessor pursuant to paragraph (1) of subdivision  
11 (a) of Section 170 of those properties that are eligible properties  
12 as a result of that disaster, except that the amount certified shall

1 not include any estimated property tax revenue reductions to school  
2 districts, other than basic state aid school districts, and county  
3 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 195.111, the Controller shall allocate the  
37 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~~ *Counties of*  
25 *Santa Barbara and Ventura*, as declared by the Governor in August  
26 2007, and that has not changed ownership since July 4, 2007, may  
27 not be denied an exemption solely on the basis that the dwelling  
28 was temporarily damaged or destroyed or was being reconstructed  
29 by the owner, or was temporarily uninhabited as a result of  
30 restricted access to the property due to the Zaca Fire.

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

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

37 218. (a) The homeowners’ property tax exemption is in the  
38 amount of the assessed value of the dwelling specified in this  
39 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~~ *Counties of*  
17 *Santa Barbara and Ventura*, as declared by the Governor in August  
18 2007, and that has not changed ownership since July 4, 2007, may  
19 not be denied an exemption solely on the basis that the dwelling  
20 was temporarily damaged or destroyed or was being reconstructed  
21 by the owner, or was temporarily uninhabited as a result of  
22 restricted access to the property due to the Zaca Fire.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 the severe rainstorms, related flooding and slides, and any other  
2 related casualties, that occurred in December 2005, January 2006,  
3 March 2006, or April 2006.

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

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

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 (29), inclusive,  
40 of subdivision (a), the election under Section 165(i) of the Internal

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (23) Any losses sustained as a result of the fires that occurred  
36 in the Counties of Los Angeles, Riverside, San Bernardino, San  
37 Diego, and Ventura in October and November 2003, or as a result  
38 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~~ *Counties*  
36 *of Santa Barbara and Ventura* as a result of the Zaca Fire that  
37 occurred during the 2007 calendar 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 (32), inclusive,  
30 of subdivision (a), the election under Section 165(i) of the Internal  
31 Revenue Code may be made on a return or amended return filed  
32 on or before the due date of the return (determined with regard to  
33 extension) for the taxable year in which the disaster occurred.

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

36 17207. (a) An excess disaster loss, as defined in subdivision  
37 (c), shall be carried to other taxable years as provided in  
38 subdivision (b), with respect to losses resulting from any of the  
39 following disasters:

- 1 (1) Forest fire or any other related casualty occurring in 1985  
2 in California.
- 3 (2) Storm, flooding, or any other related casualty occurring in  
4 1986 in California.
- 5 (3) Any loss sustained during 1987 as a result of a forest fire or  
6 any other related casualty.
- 7 (4) Earthquake, aftershock, or any other related casualty  
8 occurring in 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 (31), inclusive,  
16 of subdivision (a), the election under Section 165(i) of the Internal  
17 Revenue Code may be made on a return or amended return filed  
18 on or before the due date of the return (determined with regard to  
19 extension) for the taxable year in which the disaster occurred.

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

22 17207. (a) An excess disaster loss, as defined in subdivision  
23 (c), shall be carried to other taxable years as provided in  
24 subdivision (b), with respect to losses resulting from any of the  
25 following disasters:

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

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

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

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

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

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

38 (7) Any loss sustained as a result of the Oakland/Berkeley Fire  
39 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~~ *Counties*  
6 *of Santa Barbara and Ventura* as a result of the Zaca Fire that  
7 occurred during the 2007 calendar 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 (31), inclusive,  
40 of subdivision (a), the election under Section 165(i) of the Internal



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (23) Any losses sustained as a result of the fires that occurred  
36 in the Counties of Los Angeles, Riverside, San Bernardino, San  
37 Diego, and Ventura in October and November 2003, or as a result  
38 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~~ *Counties*  
16 *of Santa Barbara and Ventura* as a result of the Zaca Fire that  
17 occurred during the 2007 calendar 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 (32), inclusive,  
12 of subdivision (a), the election under Section 165(i) of the Internal  
13 Revenue Code may be made on a return or amended return filed  
14 on or before the due date of the return (determined with regard to  
15 extension) for the taxable year in which the disaster occurred.

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

18 24347.5. (a) An excess disaster loss, as defined in subdivision  
19 (c), shall be carried to other taxable years as provided in  
20 subdivision (b), with respect to losses resulting from any of the  
21 following disasters:

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

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

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

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

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

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

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

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

38 (9) Earthquake, aftershock, or any other related casualty  
39 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~~ *Counties*  
27 *of Santa Barbara and Ventura* as a result of the Zaca Fire that  
28 occurred during the 2007 calendar 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 (31), inclusive,  
22 of subdivision (a), the election under Section 165(i) of the Internal  
23 Revenue Code may be made on a return or amended return filed  
24 on or before the due date of the return (determined with regard to  
25 extension) for the taxable year in which the disaster occurred.

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

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

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

38 (b) This act is consistent with, and supplements, the proclaimed  
39 disaster assistance and relief by providing necessary fiscal  
40 assistance and tax relief to affected jurisdictions and persons to

1 allow them to maintain essential basic services and repair damage  
2 to, and restore, their homes and businesses.

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

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

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

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



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

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

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

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

38 (c) (1) Section 6.5 of this bill incorporates amendments to  
39 Section 24347.5 of the Revenue and Taxation Code proposed by  
40 this bill, SB 114, and AB 62. It shall only become operative if (1)

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

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

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

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

39 In order to timely provide essential relief to those persons and  
40 jurisdictions who have suffered damage or loss as a result of the

1 wildfires that occurred in the County of Riverside, commencing  
2 on October 26, 2006, it is necessary that this act take effect  
3 immediately.

O