

AMENDED IN SENATE MAY 2, 2007
AMENDED IN SENATE APRIL 18, 2007

SENATE BILL

No. 308

**Introduced by Senator Margett
(Coauthor: Senator Harman)**

(Coauthors: Assembly Members *Horton*, *Houston* and *Strickland*,
Strickland, and *Wolk*)

February 16, 2007

An act to add and repeal Section 17288 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 308, as amended, Margett. Taxation: deductions: qualified vehicle transaction.

The Personal Income Tax Law allows various deductions in computing the income that is subject to the tax imposed by that law.

This bill would, for taxable years beginning on and after January 1, 2007, and before a specified date, allow a \$3,000 deduction for each qualified vehicle transaction, which this bill would define as the purchase or initial lease of specified hybrid vehicles.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

- 1 SECTION 1. Section 17288 is added to the Revenue and
- 2 Taxation Code, to read:

1 17288. (a) For each taxable year beginning on or after January
2 1, 2007, and before January 1 of a qualified year, there shall be
3 allowed a three thousand dollar (\$3,000) deduction to a taxpayer
4 for each qualified vehicle transaction during the taxable year.

5 (b) For purposes of this section:

6 (1) "Qualified vehicle transaction" means purchasing or
7 beginning an initial lease of a qualified vehicle in the state during
8 the taxable year.

9 (2) "Qualified vehicle" means a 2007 or newer model year
10 qualified hybrid motor vehicle that meets the requirements for the
11 credit pursuant to Section 30B(d) of the Internal Revenue Code
12 and any regulations prescribed under Section 30B(i)(2) of the
13 Internal Revenue Code.

14 (3) "Qualified year" means the earlier of the following years:

15 (A) 2011.

16 (B) The year that immediately follows the first year in which
17 at least 100,000 qualified vehicles are sold and registered in the
18 state.

19 (c) The basis of any qualified vehicle shall be reduced by the
20 portion of the deduction taken into account under subdivision (a).

21 ~~(d) This section is repealed on December 1, 2011.~~

22 *(d) This section is repealed on the earlier of either of the*
23 *following:*

24 *(1) December 1, 2011.*

25 *(2) When 100,000 qualified vehicles have been sold since*
26 *January 1, 2007.*

27 SEC. 2. This act provides for a tax levy within the meaning of
28 Article IV of the Constitution and shall go into immediate effect.