

Introduced by Senator Wolk

February 19, 2010

An act to amend Section 23151 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1272, as introduced, Wolk. Corporation taxes.

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

This bill would make technical, nonsubstantive changes to those provisions.

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

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

1 SECTION 1. Section 23151 of the Revenue and Taxation Code
2 is amended to read:
3 23151. (a) With the exception of banks and financial
4 corporations, every corporation doing business within the limits
5 of this state and not expressly exempted from taxation by the
6 ~~provisions of the California Constitution of this state~~ or by this
7 part, shall annually pay to the state, for the privilege of exercising
8 its corporate franchises within this state, a tax according to or
9 measured by its net income, to be computed at the rate of 7.6
10 percent upon the basis of its net income for the next preceding
11 income year, or if greater, the minimum tax specified in Section
12 23153.

- 1 (b) For calendar or fiscal years ending after June 30, 1973, the
2 rate of tax shall be 9 percent instead of 7.6 percent as provided by
3 subdivision (a).
- 4 (c) For calendar or fiscal years ending in 1980 to 1986, inclusive,
5 the rate of tax shall be 9.6 percent.
- 6 (d) For calendar or fiscal years ending in 1987 to 1996,
7 inclusive, and for any income year beginning before January 1,
8 1997, the tax rate shall be 9.3 percent.
- 9 (e) For any income year beginning on or after January 1, 1997,
10 the tax rate shall be 8.84 percent. The change in rate provided in
11 this subdivision shall be made without proration otherwise required
12 by Section 24251.
- 13 (f) (1) For the first taxable year beginning on or after January
14 1, 2000, the tax imposed under this section shall be the sum of
15 both of the following:
 - 16 (A) A tax according to or measured by net income, to be
17 computed at the rate of 8.84 percent upon the basis of the net
18 income for the next preceding income year, but not less than the
19 minimum tax specified in Section 23153.
 - 20 (B) A tax according to or measured by net income, to be
21 computed at the rate of 8.84 percent upon the basis of the net
22 income for the first taxable year beginning on or after January 1,
23 2000, but not less than the minimum tax specified in Section 23153.
- 24 (2) Except as provided in paragraph (1), for *each* taxable ~~years~~
25 *year* beginning on or after January 1, 2000, the tax imposed under
26 this section shall be a tax according to or measured by net income,
27 to be computed at the rate of 8.84 percent upon the basis of the
28 net income for that taxable year, but not less than the minimum
29 tax specified in Section 23153.