

**ASSEMBLY BILL**

**No. 1441**

---

---

**Introduced by Assembly Member Beall**

January 4, 2012

---

---

An act to add and repeal Section 17053.51 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1441, as introduced, Beall. Personal income taxes: credit: higher education.

The Personal Income Tax Law authorizes various credits against the taxes imposed by that law.

This bill would, for each taxable year beginning on or after January 1, 2012, and before January 1, 2017, allow a credit of up to \$500 per eligible student for qualified costs, as defined, paid or incurred by a qualified taxpayer, as defined, at a qualified educational institution, as defined, on behalf of the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer. The credit allowed would be limited for all taxable years to a total of \$2,000 per eligible student.

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 17053.51 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.51. (a) For each taxable year beginning on or after
- 4 January 1, 2012, and before January 1, 2017, there shall be allowed

1 as a credit against the “net tax,” as defined in Section 17039, an  
2 amount equal to the qualified costs paid or incurred by the qualified  
3 taxpayer at a qualified educational institution, not to exceed five  
4 hundred dollars (\$500) per eligible student for each taxable year.  
5 (b) For purposes of this section:  
6 (1) “Course materials” means books, supplies, and equipment  
7 needed for a course of study, whether or not the materials are  
8 purchased from the qualified educational institution as a condition  
9 of enrollment or attendance.  
10 (2) “Eligible student” means the taxpayer, the taxpayer’s spouse,  
11 or any dependent of the taxpayer.  
12 (3) “Qualified costs” means tuition and fees required for  
13 enrollment or attendance of an eligible student at a qualified  
14 educational institution and expenditures for course materials.  
15 (4) “Qualified educational institution” means the University of  
16 California, the California State University, or the California  
17 Community Colleges.  
18 (5) “Qualified taxpayer” means a taxpayer who pays or incurs  
19 qualified costs at any qualified educational institution during the  
20 taxable year and who has a modified adjusted gross income for  
21 that taxable year of at least eighty thousand one dollars (\$80,001)  
22 and not more than one hundred forty thousand dollars (\$140,000)  
23 for an individual or married persons filing joint returns.  
24 (c) The credit allowed under this section for all taxable years  
25 shall not exceed an aggregate amount of two thousand dollars  
26 (\$2,000) per each eligible student.  
27 (d) This section shall remain in effect only until December 1,  
28 2017, and as of that date is repealed.  
29 SEC. 2. This act provides for a tax levy within the meaning of  
30 Article IV of the Constitution and shall go into immediate effect.