

AMENDED IN ASSEMBLY MAY 16, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2004

Introduced by Assembly Member Knight

February 23, 2012

An act to add Section 17132.9 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2004, as amended, Knight. Personal Income Tax Law: exclusion: military veterans: combat zone compensation and disability retirement payments.

The Personal Income Tax Law provides various exclusions from gross income in determining tax liability, including an exclusion for death benefit payments received by a surviving spouse or other beneficiary designated by a military veteran, as prescribed, who dies or is killed in the performance of duty, as provided.

This bill would, for taxable years beginning on or after January 1, 2010, exclude from gross income, *as provided*, Combat-Related Special Compensation (CRSC) and Concurrent Retirement and Disability Pay (CRDP) payments, as defined, received by an eligible individual, as defined. *This bill would make these provisions inoperative on January 1, 2018.*

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 17132.9 is added to the Revenue and
2 Taxation Code, to read:

3 17132.9. (a) For each taxable year beginning on or after
4 January 1, 2013, gross income shall not include Combat-Related
5 Special Compensation (CRSC) or Concurrent Retirement and
6 Disability Pay (CRDP) payments received by an eligible individual
7 during the taxable year.

8 (b) For purposes of this section:

9 (1) "Combat-Related Special Compensation (CRSC)" means
10 payments received by an eligible individual who performed service
11 in a combat zone, as provided in Section ~~641 of Public Law~~
12 ~~108-136~~ 1413a of Title 10 of the United States Code.

13 (2) "Concurrent Retirement and Disability Pay (CRDP)" means
14 payments received by an eligible individual who is retired and
15 entitled to receive disability income, as provided in Section ~~642~~
16 ~~of Public Law 108-375~~ 1414 of Title 10 of the United States Code.

17 (3) "Eligible individual" means an active, reserve, or retired
18 member of the United States military who served on active duty.

19 (c) Nothing in this section shall be construed to create any
20 inference with respect to the proper tax treatment of any CRSC or
21 CRDP payments received before January 1, 2013.

22 (d) *The total amount of Combat-Related Special Compensation*
23 *(CRSC) and Concurrent Retirement and Disability Pay (CRDP)*
24 *that an eligible individual may exclude from gross income pursuant*
25 *to subdivision (a) shall not exceed sixty thousand dollars (\$60,000)*
26 *per each taxable year.*

27 (e) *This section shall become inoperative on January 1, 2018,*
28 *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.