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Introduced by Senator Calderon

February 22, 2012

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An act to add Sections 17053.8 and 23621.8 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1197, as introduced, Calderon. Income taxes: hiring credit: veterans.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws.

This bill would, for taxable years beginning on or after January 1, 2012, allow a credit against those taxes in an amount equal to \_\_\_\_% of the qualified first-year wages, as defined, paid by the taxpayer to a qualified veteran, as defined, during the taxable year.

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 17053.8 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.8. (a) For each taxable year beginning on or after
- 4 January 1, 2012, there shall be allowed as a credit against the "net
- 5 tax," as defined in Section 17039, an amount equal to \_\_\_\_ percent
- 6 of the qualified first-year wages paid by the taxpayer to a qualified
- 7 veteran during the taxable year.
- 8 (b) For the purposes of this section:

1 (1) “Qualified veteran” has the same meaning as defined in  
2 Section 51(d)(3) of the Internal Revenue Code.

3 (2) “Qualified wages” has the same meaning as defined in  
4 Section 51(b) of the Internal Revenue Code.

5 (c) In the case where the credit allowed by this section exceeds  
6 the “net tax,” the excess may be carried over to reduce the “net  
7 tax” in the following year, and succeeding years if necessary, until  
8 the credit is exhausted.

9 (d) (1) The Franchise Tax Board may prescribe rules,  
10 guidelines, or procedures necessary or appropriate to carry out the  
11 purposes of this section.

12 (2) Chapter 3.5 (commencing with Section 11340) of Part 1 of  
13 Division 3 of Title 2 of the Government Code shall not apply to  
14 any standard, criterion, procedure, determination, rule, notice, or  
15 guideline established or issued by the Franchise Tax Board  
16 pursuant to this section.

17 SEC. 2. Section 23621.8 is added to the Revenue and Taxation  
18 Code, to read:

19 23621.8. (a) For each taxable year beginning on or after  
20 January 1, 2012, there shall be allowed as a credit against the “tax,”  
21 as defined in Section 23036, an amount equal to \_\_\_\_ percent of  
22 the qualified first-year wages paid by the taxpayer to a qualified  
23 veteran during the taxable year.

24 (b) For the purposes of this section:

25 (1) “Qualified veteran” has the same meaning as defined in  
26 Section 51(d)(3) of the Internal Revenue Code.

27 (2) “Qualified wages” has the same meaning as defined in  
28 Section 51(b) of the Internal Revenue Code.

29 (c) In the case where the credit allowed by this section exceeds  
30 the “tax,” the excess may be carried over to reduce the “tax” in  
31 the following year, and succeeding years if necessary, until the  
32 credit is exhausted.

33 (d) (1) The Franchise Tax Board may prescribe rules,  
34 guidelines, or procedures necessary or appropriate to carry out the  
35 purposes of this section.

36 (2) Chapter 3.5 (commencing with Section 11340) of Part 1 of  
37 Division 3 of Title 2 of the Government Code shall not apply to  
38 any standard, criterion, procedure, determination, rule, notice, or  
39 guideline established or issued by the Franchise Tax Board  
40 pursuant to this section.

1     SEC. 3. This act provides for a tax levy within the meaning of  
2     Article IV of the Constitution and shall go into immediate effect.

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