

Introduced by Senator FullerFebruary 23, 2012

An act to add and repeal Sections 17060 and 23605 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1269, as introduced, Fuller. Income taxes: credit: highway maintenance and enhancement.

Existing law authorizes the Department of Transportation to enter into an agreement to accept funds, materials, equipment, or services from any person for maintenance or roadside enhancement of a section of a state highway.

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

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2013, and before January 1, 2017, in an amount equal to 50% of the value of materials, equipment, or, in the case of individuals, services donated, as defined, by the taxpayer during the taxable year for maintenance or roadside enhancement of a section of a state highway pursuant to existing provisions of the Streets and Highways Code.

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 17060 is added to the Revenue and
2 Taxation Code, to read:
3 17060. (a) For each taxable year beginning on or after January
4 1, 2013, and before January 1, 2017, there shall be allowed a
5 maintenance and roadside enhancement credit against the “net
6 tax,” as defined in Section 17039, in an amount equal to 50 percent
7 of the qualified amount.
8 (b) For purposes of this section “qualified amount” means both
9 of the following:
10 (1) The amount paid or incurred by the taxpayer during the
11 taxable year for maintenance or roadside enhancement of a section
12 of a state highway pursuant to Section 91.5 of the Streets and
13 Highway Code.
14 (2) The value of materials, equipment, and services donated by
15 the taxpayer during the taxable year for maintenance or roadside
16 enhancement of a section of a state highway pursuant to Section
17 91.5 of the Streets and Highway Code. For purposes of this
18 paragraph:
19 (A) The value of materials and equipment means an amount
20 equal to the amount that would otherwise be deductible under
21 Section 170 of the Internal Revenue Code, as applicable for
22 purposes of this part.
23 (B) The value of services donated may not be greater than the
24 amount determined using the hourly rate for labor, as determined
25 annually by the Department of Transportation, for the maintenance
26 and roadside enhancement of a section of a state highway.
27 (C) The term “services donated” does not include services
28 performed by the taxpayer for which the taxpayer received
29 compensation for services as described in Section 61(a)(1) of the
30 Internal Revenue Code.
31 (c) The credit authorized under this section for the donation of
32 materials and equipment shall not be allowed unless the donation
33 is verified in accordance with regulations prescribed under Section
34 170 of the Internal Revenue Code, as applicable for purposes of
35 this part.
36 (d) The credit authorized under this section for the donation of
37 services shall be subject to the same verification requirements

1 related to the use of an automobile under Section 170 of the Internal
2 Revenue Code.

3 (e) The credit amount allowed under this section shall be in lieu
4 of any deduction or credit otherwise allowed by this part.

5 (f) The credit allowed under this section for services donated
6 shall not be considered compensation for services, as described in
7 Section 61(a)(1) of the Internal Revenue Code.

8 (g) If the credit allowed under this section exceeds the “net tax,”
9 the excess may be carried over to reduce the “net tax” in the
10 following year, and the six succeeding years, if necessary, or until
11 the credit is exhausted, whichever occurs first.

12 (h) On or before January 1, 2016, the Franchise Tax Board shall
13 report to the Legislature on the utilization of the credit allowed
14 under this section and Section 23605. This report is not required
15 to be submitted in compliance with Section 9795 of the
16 Government Code.

17 (i) This section shall remain in effect only until December 1,
18 2017, and as of that date is repealed.

19 SEC. 2. Section 23605 is added to the Revenue and Taxation
20 Code, to read:

21 23605. (a) For each taxable year beginning on or after January
22 1, 2013, and before January 1, 2017, there shall be allowed a
23 maintenance and roadside enhancement credit against the “tax”
24 as defined in Section 23036, in an amount equal to 50 percent of
25 the qualified amount.

26 (b) For purposes of this section “qualified amount” means both
27 of the following:

28 (1) The amount paid or incurred by the taxpayer during the
29 taxable year for maintenance or roadside enhancement of a section
30 of a state highway pursuant to Section 91.5 of the Streets and
31 Highway Code.

32 (2) The value of materials and equipment donated by the
33 taxpayer during the taxable year for maintenance or roadside
34 enhancement of a section of a state highway pursuant to Section
35 91.5 of the Streets and Highway Code. For purposes of this
36 paragraph, the value of materials and equipment donated means
37 an amount equal to the amount that would otherwise be deductible
38 under Section 170 of the Internal Revenue Code, as applicable for
39 purposes of this part.

- 1 (c) The credit authorized under this section for the donation of
- 2 materials and equipment shall not be allowed unless the donation
- 3 is verified in accordance with regulations prescribed under Section
- 4 170 of the Internal Revenue Code, as applicable for purposes of
- 5 this part.
- 6 (d) The credit amount allowed under this section shall be in lieu
- 7 of any deduction or credit otherwise allowed by this part.
- 8 (e) If the credit allowed under this section exceeds the “tax,”
- 9 the excess may be carried over to reduce the “tax” in the following
- 10 year, and the six succeeding years, if necessary, or until the credit
- 11 is exhausted, whichever occurs first.
- 12 (f) On or before January 1, 2016, the Franchise Tax Board shall
- 13 report to the Legislature as required by subdivision (h) of Section
- 14 17060.
- 15 (g) This section shall remain in effect only until December 1,
- 16 2017, and as of that date is repealed.
- 17 SEC. 3. This act provides for a tax levy within the meaning of
- 18 Article IV of the Constitution and shall go into immediate effect.

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