

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 6**

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**Introduced by Assembly Member Gorell**

December 3, 2012

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An act to add and repeal Sections ~~17053.88 and 23689~~ *17052.9 and 23605* of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 6, as amended, Gorell. Income tax credits: ~~emergency standby generators~~; *rewiring for alternative energy sources*.

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

This bill would ~~authorize~~ *allow* a credit against those taxes for each taxable year beginning on or after January 1, ~~2012~~, *2014*, and before January 1, ~~2017~~ *2019*, in an amount equal to 50% of the amount paid or incurred during the taxable year, up to \$2,500, for the ~~purchase and installation of an emergency standby generator~~, *rewiring*, as defined, at a service station, as defined, located in this state.

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. It is the intent of this act to provide an incentive
- 2 for a taxpayer that operates a service station to ~~purchase and install~~
- 3 ~~an emergency standby generator~~ *install appropriate wiring,*

1 including, but not limited to, a transfer switch that would enable  
2 the use of an alternative energy source to operate fuel pumps,  
3 dispensing equipment, payment acceptance equipment, and safety  
4 systems including, but not limited to, emergency fuel shutoff  
5 systems and fire alarms, at a service station located in this state  
6 in order for the service station to be able to continue to maintain  
7 electrical power to provide services to the public during power  
8 outages.

9 SEC. 2. Section 17052.9 is added to the Revenue and Taxation  
10 Code, to read:

11 17052.9. (a) For each taxable year beginning on or after  
12 January 1, 2014, and before January 1, 2019, there shall be  
13 allowed as a credit against the “net tax,” as defined in Section  
14 17039, an amount equal to 50 percent of the amount paid or  
15 incurred during the taxable year for the installation of rewiring  
16 at a service station located in this state, not to exceed two thousand  
17 five hundred dollars (\$2,500).

18 (b) For the purposes of this section:

19 (1) “Rewiring” means wiring, including, but not limited to, a  
20 transfer switch that would enable the use of an alternative energy  
21 source to operate fuel pumps, dispensing equipment, payment  
22 acceptance equipment, and safety systems, including, but not  
23 limited to, emergency fuel shutoff systems and fire alarms, that  
24 allows a service station to continue to maintain electrical power  
25 to provide services to the public during a power outage.

26 (2) “Service station” means an establishment that sells to the  
27 public gasoline or other fuel that powers motor vehicles and that  
28 is located on a county-designated evacuation route.

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

33 (d) This section shall remain in effect only until December 1,  
34 2019, and as of that date is repealed.

35 SEC. 3. Section 23605 is added to the Revenue and Taxation  
36 Code, to read:

37 23605. (a) For each taxable year beginning on or after  
38 January 1, 2014, and before January 1, 2019, there shall be  
39 allowed as a credit against the “tax,” as defined in Section 23036,  
40 an amount equal to 50 percent of the amount paid or incurred

1 during the taxable year for the installation of rewiring at a service  
2 station located in this state, not to exceed two thousand five  
3 hundred dollars (\$2,500).

4 (b) For the purposes of this section:

5 (1) "Rewiring" means wiring, including, but not limited to, a  
6 transfer switch that would enable the use of an alternative energy  
7 source to operate fuel pumps, dispensing equipment, payment  
8 acceptance equipment, and safety systems, including, but not  
9 limited to, emergency fuel shutoff systems and fire alarms, that  
10 allows a service station to continue to maintain electrical power  
11 to provide services to the public during a power outage.

12 (2) "Service station" means an establishment that sells to the  
13 public gasoline or other fuel that powers motor vehicles and that  
14 is located on a county-designated evacuation route.

15 (c) In the case where the credit allowed by this section exceeds  
16 the "tax," the excess may be carried over to reduce the "tax" in  
17 the following year, and the seven succeeding years if necessary,  
18 until the credit is exhausted.

19 (d) This section shall remain in effect only until December 1,  
20 2019, and as of that date is repealed.

21 ~~SEC. 2. Section 17053.88 is added to the Revenue and Taxation~~  
22 ~~Code, to read:~~

23 ~~17053.88. (a) For each taxable year beginning on or after~~  
24 ~~January 1, 2012, and before January 1, 2017, there shall be allowed~~  
25 ~~as a credit against the "net tax," as defined in Section 17039, an~~  
26 ~~amount equal to 50 percent of the amount paid or incurred during~~  
27 ~~the taxable year for the purchase and installation of an emergency~~  
28 ~~standby generator at a service station located in this state, not to~~  
29 ~~exceed two thousand five hundred dollars (\$2,500) per emergency~~  
30 ~~standby generator.~~

31 ~~(b) For purposes of this section:~~

32 ~~(1) "Emergency standby generator" means an electrical~~  
33 ~~generator that is rated by the manufacturer to generate at least 30~~  
34 ~~kilowatts of electricity and whose sole function is to automatically~~  
35 ~~provide electric power when electric power from a utility service~~  
36 ~~is interrupted.~~

37 ~~(2)~~

38 ~~"Gross receipts" shall have the same meaning as set forth in~~  
39 ~~Section 25120.~~

40 ~~(3)~~

1     ~~“Service station” means an establishment that offers for sale~~  
2 ~~or sells to the public, gasoline or other fuel to power motor vehicles~~  
3 ~~and is owned by a taxpayer with worldwide gross receipts of less~~  
4 ~~than one million dollars (\$1,000,000) for any taxable year for~~  
5 ~~which the credit authorized by this section is claimed. The gross~~  
6 ~~receipts of any trades or businesses that are treated as related under~~  
7 ~~Section 267, 318, or 707 of the Internal Revenue Code shall be~~  
8 ~~aggregated for purposes of determining worldwide gross receipts~~  
9 ~~under this paragraph.~~

10     ~~(e) The depreciable basis of any emergency standby generator~~  
11 ~~shall be reduced by the amount of any credit allowable under this~~  
12 ~~section.~~

13     ~~(d) If an emergency standby generator for which a credit is~~  
14 ~~allowed pursuant to this section is thereafter sold, returned to the~~  
15 ~~vendor, or otherwise removed from service by the taxpayer within~~  
16 ~~one year from the date the emergency standby generator was placed~~  
17 ~~in service, the amount of credit allowed by this section for the~~  
18 ~~purchase and installation of that emergency standby generator shall~~  
19 ~~be recaptured by adding that credit amount to the net tax of the~~  
20 ~~taxpayer for the taxable year in which the emergency standby~~  
21 ~~generator is sold or removed.~~

22     ~~(e)~~  
23     ~~In the case where the credit allowed by this section exceeds~~  
24 ~~the “net tax,” the excess may be carried over to reduce the “net~~  
25 ~~tax” in the following year, and the seven succeeding years if~~  
26 ~~necessary, until the credit is exhausted.~~

27     ~~(f)~~  
28     ~~This section shall remain in effect only until December 1, 2017,~~  
29 ~~and as of that date is repealed.~~

30     ~~SEC. 3. Section 23689 is added to the Revenue and Taxation~~  
31 ~~Code, to read:~~

32     ~~23689. (a) For each taxable year beginning on or after January~~  
33 ~~1, 2012, and before January 1, 2017, there shall be allowed as a~~  
34 ~~credit against the “tax,” as defined in Section 23036, an amount~~  
35 ~~equal to 50 percent of the amount paid or incurred during the~~  
36 ~~taxable year for the purchase and installation of an emergency~~  
37 ~~standby generator at a service station located in this state, not to~~  
38 ~~exceed two thousand five hundred dollars (\$2,500) per emergency~~  
39 ~~standby generator.~~

40     ~~(b) For purposes of this section:~~

1 (1) ~~“Emergency standby generator” means an electrical~~  
2 ~~generator that is rated by the manufacturer to generate at least 30~~  
3 ~~kilowatts of electricity and whose sole function is to automatically~~  
4 ~~provide electric power when electric power from a utility service~~  
5 ~~is interrupted.~~

6 (2)

7 ~~“Gross receipts” shall have the same meaning as set forth in~~  
8 ~~Section 25120.~~

9 (3)

10 ~~“Service station” means an establishment that offers for sale~~  
11 ~~or sells to the public, gasoline or other fuel to power motor vehicles~~  
12 ~~and is owned by a taxpayer with worldwide gross receipts of less~~  
13 ~~than one million dollars (\$1,000,000) for any taxable year for~~  
14 ~~which the credit authorized by this section is claimed. The gross~~  
15 ~~receipts of any trades or businesses that are treated as related under~~  
16 ~~Section 267, 318, or 707 of the Internal Revenue Code shall be~~  
17 ~~aggregated for purposes of determining worldwide gross receipts~~  
18 ~~under this paragraph.~~

19 ~~(e) The depreciable basis of any emergency standby generator~~  
20 ~~shall be reduced by the amount of any credit allowable under this~~  
21 ~~section.~~

22 ~~(d) If an emergency standby generator for which a credit is~~  
23 ~~allowed pursuant to this section is thereafter sold, returned to the~~  
24 ~~vendor, or otherwise removed from service by the taxpayer within~~  
25 ~~one year from the date the emergency standby generator was placed~~  
26 ~~in service, the amount of credit allowed by this section for the~~  
27 ~~purchase and installation of that emergency standby generator shall~~  
28 ~~be recaptured by adding that credit amount to the tax of the~~  
29 ~~taxpayer for the taxable year in which the emergency standby~~  
30 ~~generator is sold or removed.~~

31 (e)

32 ~~In the case where the credit allowed by this section exceeds~~  
33 ~~the “tax,” the excess may be carried over to reduce the “tax” in~~  
34 ~~the following year, and the seven succeeding years if necessary,~~  
35 ~~until the credit is exhausted.~~

36 (f)

37 ~~This section shall remain in effect only until December 1, 2017,~~  
38 ~~and as of that date is repealed.~~

1     SEC. 4. This act provides for a tax levy within the meaning  
2     of Article IV of the Constitution and shall go into immediate effect.

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