

AMENDED IN ASSEMBLY APRIL 16, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 886

Introduced by Assembly Member ~~Members~~ *Allen and Ian Calderon*

February 22, 2013

An act to add and repeal Division 4 (commencing with Section 64140) of Title 6.7 of the Government Code, and to add and repeal Sections 17053.60, 17053.65, 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 886, as amended, Allen. California Transportation Financing Authority: tax credit certificates for exporters and importers: income tax credit.

Existing law creates the California Transportation Financing Authority, with various powers and duties relative to the financing of transportation projects.

This bill would authorize the authority to award tax credit certificates to exporters and importers, as defined, that demonstrate to the satisfaction of the authority that, during the taxable year, they have increased their cargo tonnage or value through California ports and airports by specified amounts or had a net increase in qualified full-time employees hired in California or have incurred capital costs for a cargo facility in California. The bill would authorize an aggregate \$500,000,000 in tax credit certificates to be awarded by the authority for taxable years beginning on or after January 1, 2014, and before

January 1, 2019, as provided. *The bill would require the authority to provide a report to the Legislature regarding the tax credit certificate program, as provided.* The bill would authorize the authority to impose fees to cover its costs, with fees to be deposited in the Job and Trade Competitiveness Fee Account, which the bill would create in the State Treasury. The bill would authorize the authority to borrow money until the time that sufficient fee revenue is available, with loans made to the authority to be repayable solely from revenues in the account.

The bill would make legislative findings and declarations.

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, 2014, and before January 1, 2019, allow a credit or credits in an aggregate amount not to exceed \$250,000 for a taxable year against the taxes imposed by those laws if a taxpayer receives a tax credit certificate from the authority.

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. Division 4 (commencing with Section 64140) is
2 added to Title 6.7 of the Government Code, to read:

3
4 DIVISION 4. JOB AND TRADE COMPETITIVENESS ACT

5
6 64140. (a) The Legislature finds and declares all of the
7 following:

8 (1) California is the international trade leader of the United
9 States as the gateway to the dynamic economies of the Pacific
10 Rim. International trade is one of the most important economic
11 and job creation drivers of the state and a key to the state's
12 economic recovery. Together, the three California customs districts
13 of Los Angeles, San Diego, and San Francisco led the nation by
14 processing approximately \$500 billion in two-way trade value in
15 2010. The combined California ports of Los Angeles, Long Beach,
16 and Oakland are the busiest seaports in the nation, handling
17 approximately 45 percent of all the waterborne containerized cargo
18 coming into the United States.

1 (2) California, however, must do more to ensure that California
2 ports remain competitive, as the Gulf, East Coast, and Mexican
3 ports work to attract business away from California seaports and
4 competition intensifies after the expansion of the Panama Canal
5 in 2014. California ports are taking action to retain market share
6 by expanding terminal capacity and investing in other trade-related
7 infrastructure projects, but more needs to be done to protect
8 California’s vitally important international trade sector, including
9 creating incentives to maintain and grow new jobs related to
10 business, manufacturing, and trade in the years ahead.

11 (3) Providing California tax credits to exporters and importers
12 through California ports and airports and increasing cargo-moving
13 capacity at California’s ports and airports will support President
14 Obama’s national export initiative.

15 (b) It is the intent of the Legislature to boost exports and imports
16 through California ports and airports by providing tax credits for
17 California exporters and importers and by providing tax credits
18 for increasing cargo-moving capacity.

19 64141. For the purposes of this division, the following terms
20 have the following meanings:

21 (a) “Annual full-time equivalent” means either of the following:

22 (1) In the case of a full-time employee who was paid hourly
23 qualified wages, “annual full-time equivalent” means the total
24 number of hours worked for the taxpayer by the employee (not to
25 exceed 2,000 hours per employee) divided by 2,000.

26 (2) In the case of a salaried full-time employee, “annual full-time
27 equivalent” means the total number of weeks worked for the
28 taxpayer by the employee divided by 52.

29 (b) “Authority” means the California Transportation Financing
30 Authority established in Section 64101.

31 (c) (1) “Capital costs” means all costs and expenses incurred
32 by one or more exporter or importer in connection with the
33 acquisition, construction, installation, and equipping of a cargo
34 facility, including any environmental mitigation undertaken
35 specifically to reduce the impacts of a cargo facility, during the
36 period commencing with the date on which the acquisition,
37 construction, installation, and equipping commences and ending
38 on the date on which the cargo facility is placed in service.

39 (2) Capital costs shall include, but not be limited to, the
40 following:

- 1 (A) The costs of acquiring, constructing, installing, equipping,
2 and financing a cargo facility, including all obligations incurred
3 for labor and to contractors, subcontractors, builders, and
4 materialmen.
- 5 (B) The costs of acquiring land or rights in land and any cost
6 incidental thereto, including recording fees.
- 7 (C) The costs of contract bonds and of insurance of any kind
8 that may be required or necessary during the acquisition,
9 construction, or installation of a cargo facility.
- 10 (D) The costs of architectural and engineering services,
11 including test borings, surveys, estimates, plans, specifications,
12 preliminary investigations, environmental mitigation, and
13 supervision of construction, as well as for the performance of all
14 the duties required by or consequent upon the acquisition,
15 construction, and installation of a cargo facility.
- 16 (E) The costs associated with installation of fixtures and
17 equipment, surveys, including archaeological and environmental
18 surveys, site tests and inspections, subsurface site work, excavation,
19 removal of structures, roadways, and other surface obstructions,
20 filling, grading, paving, and provisions for drainage, stormwater
21 retention, installation of utilities, including water, sewerage
22 treatment, gas, electricity, communications, and similar facilities,
23 and offsite construction of utility extensions to the boundaries of
24 the property.
- 25 (F) The costs of completing any environmental mitigation.
- 26 (G) All other costs of a nature comparable to those described,
27 including, but not limited to, all project costs required to be
28 capitalized for federal income tax purposes pursuant to the
29 provisions of Section 263(a) of Title 26 of the United States Code.
- 30 (H) Costs otherwise defined as capital costs incurred by the
31 exporter or importer where the qualifying taxpayer is the lessee
32 under a lease that contains a term of not less than five years and
33 is characterized as a capital lease for federal income tax purposes.
- 34 (3) Capital costs shall not include property owned or leased by
35 the exporter or importer or a related entity before the
36 commencement of the acquisition, construction, installation, or
37 equipping of the cargo facility, unless the property was physically
38 located outside the state for a period of at least one year prior to
39 the date on which the cargo facility was placed in service.

1 (4) Capital costs shall not include project costs that were
2 expended prior to January 1, 2014.

3 (d) “Cargo facility” means a capital project at a port or airport
4 in California designed to increase cargo-moving capacity at that
5 port or airport and that is expended in a taxable year and has a
6 useful life of five years or more.

7 (e) “Export cargo tonnage” means the weight of cargo exported
8 through California ports by an exporter to destinations outside the
9 United States.

10 (f) “Export cargo value” means the value of cargo exported
11 through California airports by an exporter to destinations outside
12 of the United States as certified by the applicant for a tax credit
13 certificate.

14 (g) “Exporter” means a California taxpayer that is the shipper
15 of record of agricultural products or manufactured goods on an
16 ocean bill of lading or on an air waybill.

17 (h) “Import cargo tonnage” means the weight of cargo imported
18 by an importer through California ports by that importer from
19 outside the United States.

20 (i) “Import cargo value” means the value of cargo imported
21 through California airports by an importer from outside the United
22 States as certified by the applicant for a tax credit certificate.

23 (j) “Importer” means a California taxpayer that is the consignee
24 of record of agricultural products or manufactured goods on an
25 ocean bill of lading or on an air waybill.

26 (k) (1) “Qualified full-time employee” means either of the
27 following:

28 (A) A qualified employee who was paid qualified wages by the
29 qualified employer for services of not less than an average of 35
30 hours per week.

31 (B) A qualified employee who was a salaried employee and
32 was paid compensation during the taxable year for full-time
33 employment, within the meaning of Section 515 of the Labor Code,
34 by the qualified employer.

35 (2) A “qualified employee” shall not include any of the
36 following:

37 (A) An employee certified as a qualified employee in an
38 enterprise zone designated in accordance with Chapter 12.8
39 (commencing with Section 7070) of Division 7 of Title 1.

1 (B) An employee certified as a qualified disadvantaged
 2 individual in a manufacturing enhancement area designated in
 3 accordance with Section 7073.8.

4 (C) An employee certified as a qualified employee in a targeted
 5 tax area designated in accordance with Section 7097.

6 (D) An employee certified as a qualified disadvantaged
 7 individual or a qualified displaced employee in a local agency
 8 military base recovery area (LAMBRA) designated in accordance
 9 with Chapter 12.97 (commencing with Section 7105) of Division
 10 7 of Title 1.

11 (E) An employee whose wages are included in calculating any
 12 other credit allowed under Part 10 (commencing with Section
 13 17001) or Part 11 (commencing with Section 23001) of Division
 14 2 of the Revenue and Taxation Code.

15 (l) “Qualified wages” means wages subject to Division 6
 16 (commencing with Section 13000) of the Unemployment Insurance
 17 Code.

18 (m) “Tax credit certificate” means a certificate awarded by the
 19 authority to an exporter or importer evidencing the right of the
 20 exporter or importer to claim the tax credits provided for in this
 21 division in the amount specified in the certificate.

22 64142. (a) Subject to the limitations in subdivision (f), for
 23 taxable years beginning on or after January 1, 2014, and before
 24 January 1, 2019, the authority may award a tax credit certificate
 25 to a person that is an exporter or importer pursuant to subdivisions
 26 (b), (c), and (d) in an aggregate amount that is not greater than two
 27 hundred fifty thousand dollars (\$250,000) for a taxable year.

28 (b) A tax credit certificate, in an amount specified in subdivision
 29 (a) of Section 17053.60 of the Revenue and Taxation Code or
 30 subdivision (a) of Section 23660 of the Revenue and Taxation
 31 Code, may be awarded by the authority to any of the following:

32 (1) Exporters that demonstrate to the satisfaction of the authority
 33 that they have increased their export cargo tonnage through
 34 California ports in a taxable year beginning on or after January 1,
 35 2014, and before January 1, 2019, by at least 5 percent over their
 36 export cargo tonnage through California ports for the preceding
 37 taxable year.

38 (2) Importers that demonstrate to the satisfaction of the authority
 39 that they have increased their import cargo tonnage through
 40 California ports in a taxable year beginning on or after January 1,

1 2014, and before January 1, 2019, by at least 5 percent over their
2 import cargo tonnage through California ports for the preceding
3 taxable year.

4 (3) Exporters that demonstrate to the satisfaction of the authority
5 that they have increased their export cargo value through California
6 airports in a taxable year beginning on or after January 1, 2014,
7 and before January 1, 2019, by at least 5 percent over their export
8 cargo value through California airports for the preceding taxable
9 year.

10 (4) Importers that demonstrate to the satisfaction of the authority
11 that they have increased their import cargo value through California
12 airports in taxable year beginning on or after January 1, 2014, and
13 before January 1, 2019, by at least 5 percent over their import
14 cargo value through California airports for the preceding taxable
15 year.

16 (5) Exporters or importers that demonstrate to the satisfaction
17 of the authority that they have exported or imported export or
18 import cargo tonnage through California ports in excess of 400,000
19 tons in a taxable year beginning on or after January 1, 2014, and
20 before January 1, 2019, and that they did not export or import
21 cargo through California ports in the preceding taxable year.

22 (6) Exporters and importers that demonstrate to the satisfaction
23 of the authority that they have exported or imported cargo through
24 California airports with export or import cargo value in excess of
25 two hundred fifty thousand dollars (\$250,000) in a taxable year
26 beginning on or after January 1, 2014, and before January 1, 2019,
27 and that they did not export or import cargo through California
28 airports in the preceding taxable year.

29 (c) (1) A tax credit certificate, in an amount specified in
30 subdivision (a) of Section 17053.65 of the Revenue and Taxation
31 Code or subdivision (a) of Section 23665 of the Revenue and
32 Taxation Code, may be awarded by the authority to an exporter
33 or importer that demonstrates to the satisfaction of the authority
34 that the exporter or importer had a net increase in qualified
35 full-time employees hired in California during the taxable year.

36 (2) The net increase in qualified full-time employees of a
37 qualified employer shall be determined as provided by this
38 paragraph:

39 (A) The net increase in qualified full-time employees shall be
40 determined on an annual full-time equivalent basis by subtracting

1 from the amount determined in clause (ii) the amount determined
2 in clause (i).

3 (i) The total number of qualified full-time employees employed
4 in the preceding taxable year by the taxpayer and by any trade or
5 business acquired by the taxpayer during the current taxable year.

6 (ii) The total number of full-time employees employed in the
7 current taxable year by the taxpayer and by any trade or business
8 acquired during the current taxable year.

9 (B) For taxpayers that first commence doing business in this
10 state during the taxable year, the number of full-time employees
11 for the immediately preceding prior taxable year shall be zero.

12 (d) A tax credit certificate, in an amount specified in subdivision
13 (a) of Section 17053.66 of the Revenue and Taxation Code or
14 subdivision (a) of Section 23666 of the Revenue and Taxation
15 Code, may be awarded by the authority to an exporter or importer
16 that demonstrates to the satisfaction of the authority that the
17 exporter or importer has paid capital costs on a cargo facility in
18 California during the taxable year.

19 (e) The authority shall, consistent with the requirements and
20 criteria of this division and Sections 17053.60, 17053.65, 17053.66,
21 23660, 23665, and 23666 of the Revenue and Taxation Code, do
22 all of the following:

23 (1) Establish a procedure for applicants to apply for the tax
24 credit certificates, and a process to award those tax credit
25 certificates on a first-come-first-served basis.

26 (2) Determine the information necessary to be provided by an
27 applicant to the authority in order to award the tax credit
28 certificates.

29 (3) Develop and provide application forms for use by applicants
30 for tax credit certificates. The application form shall *allow for*
31 *electronic submission and shall* provide for inclusion of the
32 applicant's taxpayer identification number.

33 (f) The total amount of tax credit certificates authorized to be
34 awarded pursuant to subdivisions (b), (c), and (d) in each of the
35 five calendar years beginning with January 1, 2014, is one hundred
36 million dollars (\$100,000,000), for a total of five hundred million
37 dollars (\$500,000,000), and any portion of that authorization not
38 awarded in any calendar year may be awarded in a future calendar
39 year ending before January 1, 2019.

1 (g) (1) The authority shall establish and charge applicants fees
2 that it determines are reasonably sufficient to cover all of its costs
3 in carrying out its responsibilities under this division. The fees
4 shall be deposited in the Job and Trade Competitiveness Fee
5 Account, which is hereby established in the State Treasury. Moneys
6 in the account shall be available, upon appropriation by the
7 Legislature, to the authority for the purpose of implementing this
8 division.

9 (2) Until the time that sufficient revenue is received by the
10 authority, the authority may borrow any money as may be required
11 for the purpose of meeting necessary expenses under this division,
12 not to exceed the amount appropriated. A loan made to the
13 authority shall be repayable solely from moneys appropriated to
14 the authority from the Job and Trade Competitiveness Fee Account
15 and shall not constitute a general obligation of the state for which
16 the full faith and credit of the state are pledged.

17 (h) The authority shall determine the amount of each tax credit
18 pursuant to this division and Sections 17053.60, 17053.65,
19 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation
20 Code, and the Franchise Tax Board shall not be responsible for
21 determining the amount of that tax credit. The authority shall
22 provide the Franchise Tax Board with an electronic copy of each
23 tax credit certification awarded by it within 30 days after issuing
24 the certificate. The tax credit certificate shall include the date of
25 issuance, the amount of the tax credit, the name, the type of credit
26 awarded, and taxpayer identification number of the exporter or
27 importer to which the certificate was awarded.

28 (i) (1) The authority shall establish audit procedures of
29 taxpayers who have been awarded a tax credit certificate to verify
30 that the tax credit certificate was awarded consistent with the
31 requirements of this division and Sections 17053.60, 17053.65,
32 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation
33 Code. The authority shall conduct audits at random as the authority
34 deems appropriate.

35 (2) *An audit undertaken pursuant to paragraph (1) shall be*
36 *conducted within 12 months of the issuance of the tax credit*
37 *certificate. The authority shall allow no less than 30 days to*
38 *respond to audit findings.*

39 (j) In the event that the authority determines that any amount
40 of a tax credit certificate was not awarded consistent with the

1 requirements of this division or Sections 17053.60, 17053.65,
2 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation
3 Code, the authority shall cancel any unapplied amount erroneously
4 awarded and any previously allowed credit erroneously awarded
5 shall be recaptured. The authority shall notify the Franchise Tax
6 Board of any amounts of a tax credit certificate that were
7 erroneously awarded and were canceled.

8 (k) The authority may prescribe rules, guidelines, or procedures
9 necessary or appropriate to carry out the purposes of this division,
10 *including, but not limited to, an appeals process for denied or*
11 *disqualified applications and audit findings. The guidelines,*
12 *policies, and procedures shall provide for the issuance of a*
13 *certificate within 30 days of submission of a complete application*
14 *and a 14-day response for appeals.* Chapter 3.5 (commencing with
15 Section 11340) of Part 1 of Division 3 of Title 2 does not apply to
16 any rule, guideline, or procedure prescribed by the authority
17 pursuant to this subdivision.

18 (l) A tax credit certificate awarded pursuant to this section shall
19 not be transferable.

20 (m) The authority shall notify the taxpayer within 45 days of
21 either a denial of the tax credit certificate application or an award
22 of a tax credit certificate.

23 (n) *Notwithstanding Section 102315 of the Government Code,*
24 *by February 1 of the year following a year in which allocations*
25 *are made, the authority shall report to the Legislature on the*
26 *program's activities, including, but not limited to, the number of*
27 *allocations, number of jobs created, the amount of capital*
28 *investment leveraged, and the volume and value of imports and*
29 *exports that received credit certificates. This report may be*
30 *included within other annual reporting done by the authority.*

31 ~~(n)~~

32 (o) This division shall remain in effect only until January 1,
33 2021, and as of that date is repealed.

34 SEC. 2. Section 17053.60 is added to the Revenue and Taxation
35 Code, to read:

36 17053.60. (a) (1) For each taxable year beginning on or after
37 January 1, 2014, and before January 1, 2019, and subject to
38 subdivision (c), there shall be allowed as a credit against the "net
39 tax," as defined in Section 17039, the amount specified in
40 paragraph (2), to an exporter or importer that has been awarded a

1 tax credit certificate pursuant to the Job and Trade Competitiveness
2 Act (Division 4 (commencing with Section 64140) of Title 6.7 of
3 the Government Code).

4 (2) (A) If an exporter or importer exported or imported during
5 the preceding taxable year, the credit amount will be determined
6 as follows:

7 (i) The amount of credit allowed for an exporter or importer
8 that increases exports or imports through ports in California shall
9 be three dollars and twelve and one-half cents (\$3.125) per ton of
10 increased exports and imports for the taxable year through ports
11 in California by the exporter or importer.

12 (ii) The amount of credit allowed for an exporter or importer
13 that increases exports or imports through airports in California
14 shall be one thousand dollars (\$1,000) for each ten thousand dollars
15 (\$10,000) of increased exports and imports for the taxable year
16 through airports in California by the exporter or importer.

17 (B) If an exporter or importer did not export or import during
18 the preceding taxable year, the credit amount shall be determined
19 as follows:

20 (i) The amount of credit allowed for an exporter or importer
21 that exports or imports 400,000 or more tons through ports in
22 California in a taxable year shall be three dollars and twelve and
23 one-half cents (\$3.125) per ton of exports and imports for the
24 taxable year through ports in California by the exporter or importer.

25 (ii) The amount of credit allowed for an exporter or importer
26 that exports or imports two hundred fifty thousand dollars
27 (\$250,000) or more through airports in California shall be one
28 thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)
29 of exports and imports for the taxable year through airports in
30 California by the exporter or importer.

31 (b) For purposes of this section:

32 (1) "Authority" means the California Transportation Financing
33 Authority established in Section 64101 of the Government Code.

34 (2) "Exporter" has the same meaning as provided in subdivision
35 (g) of Section 64141 of the Government Code.

36 (3) "Importer" has the same meaning as provided in subdivision
37 (j) of Section 64141 of the Government Code.

38 (4) "Increased exports or imports" means the difference between
39 the amount of exports and imports, whether measured by tons or
40 dollars, in the current taxable year and the preceding taxable year

1 if the current taxable year has a greater amount of exports or
2 imports.

3 (5) “Tax credit certificate” has the same meaning as provided
4 in subdivision (m) of Section 64141 of the Government Code.

5 (c) The aggregate amount of credit allowed to a taxpayer under
6 this section and Sections 17053.65 and 17053.66 shall be no more
7 than two hundred fifty thousand dollars (\$250,000) for a taxable
8 year and shall be limited to the amount specified in the tax credit
9 certificate issued to the taxpayer pursuant to the Job and Trade
10 Competitiveness Act (Division 4 (commencing with Section 64140)
11 of Title 6.7 of the Government Code).

12 (d) In the event that the authority notifies the Franchise Tax
13 Board of any amounts of a tax credit certificate that were
14 erroneously awarded and were canceled pursuant to subdivision
15 (j) of Section 64142 of the Government Code, those amounts shall
16 not be allowed as a credit, and any previously allowed credit shall
17 be recaptured. The taxpayer shall be liable for any increase in tax
18 attributable to the recapture of any credit previously allowed under
19 this section.

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

24 (f) This section shall remain in effect only until December 1,
25 2019, and as of that date is repealed.

26 SEC. 3. Section 17053.65 is added to the Revenue and Taxation
27 Code, to read:

28 17053.65. (a) For each taxable year beginning on or after
29 January 1, 2014, and before January 1, 2019, and subject to
30 subdivision (c), there shall be allowed as a credit against the “net
31 tax,” as defined in Section 17039, to an exporter or importer that
32 has been awarded a tax credit certificate pursuant to the Job and
33 Trade Competitiveness Act (Division 4 (commencing with Section
34 64140) of Title 6.7 of the Government Code), in an amount equal
35 to three thousand dollars (\$3,000) for each net increase in qualified
36 full-time employees hired in California during the taxable year by
37 an exporter or importer, in a taxable year.

38 (b) For purposes of this section:

39 (1) “Authority” means the California Transportation Financing
40 Authority established in Section 64101 of the Government Code.

1 (2) “Exporter” has the same meaning as provided in subdivision
2 (g) of Section 64141 of the Government Code.

3 (3) “Importer” has the same meaning as provided in subdivision
4 (j) of Section 64141 of the Government Code.

5 (4) “Qualified full-time employee” has the same meaning as
6 provided in subdivision (k) of Section 64141 of the Government
7 Code.

8 (5) “Tax credit certificate” has the same meaning as provided
9 in subdivision (m) of Section 64141 of the Government Code.

10 (c) The aggregate amount of the credit allowed to a taxpayer
11 under this section and Sections 17053.60 and 17053.66 shall be
12 no more than two hundred fifty thousand dollars (\$250,000) for a
13 taxable year and shall be limited to the amount specified in the tax
14 credit certificate issued to the taxpayer pursuant to the Job and
15 Trade Competitiveness Act (Division 4 (commencing with Section
16 64140) of Title 6.7 of the Government Code).

17 (d) In the event that the authority notifies the Franchise Tax
18 Board of any amounts of a tax credit certificate that were
19 erroneously awarded and were canceled pursuant to subdivision
20 (j) of Section 64142 of the Government Code, those amounts shall
21 not be allowed as a credit, and any previously allowed credit shall
22 be recaptured. The taxpayer shall be liable for any increase in tax
23 attributable to the recapture of any credit previously allowed under
24 this section.

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

29 (f) This section shall remain in effect only until December 1,
30 2019, and as of that date is repealed.

31 SEC. 4. Section 17053.66 is added to the Revenue and Taxation
32 Code, to read:

33 17053.66. (a) For each taxable year beginning on or after
34 January 1, 2014, and before January 1, 2019, and subject to
35 subdivision (c), there shall be allowed as a credit against the “net
36 tax,” as defined in Section 17039, to an exporter or importer that
37 has been awarded a tax credit certificate pursuant to the Job and
38 Trade Competitiveness Act (Division 4 (commencing with Section
39 64140) of Title 6.7 of the Government Code), in an amount of up
40 to, but not to exceed, 2 percent of the total capital costs for a cargo

1 facility constructed in California by an exporter or importer during
 2 a taxable year.

3 (b) For purposes of this section:

4 (1) “Authority” means the California Transportation Financing
 5 Authority established in Section 64101 of the Government Code.

6 (2) “Capital costs” has the same meaning as provided in
 7 subdivision (c) of Section 64141 the Government Code.

8 (3) “Cargo facility” has the same meaning as provided in
 9 subdivision (d) of Section 64141 of the Government Code.

10 (4) “Exporter” has the same meaning as provided in subdivision
 11 (g) of Section 64141 of the Government Code.

12 (5) “Importer” has the same meaning as provided in subdivision
 13 (j) of Section 64141 of the Government Code.

14 (6) “Tax credit certificate” has the same meaning as provided
 15 in subdivision (m) of Section 64141 of the Government Code.

16 (c) The aggregate amount of the credit allowed to a taxpayer
 17 under this section and Sections 17053.60 and 17053.65 shall be
 18 no more than two hundred fifty thousand dollars (\$250,000) for a
 19 taxable year and shall be limited to the amount specified in the tax
 20 credit certificate issued to the taxpayer pursuant to the Job and
 21 Trade Competitiveness Act (Division 4 (commencing with Section
 22 64140) of Title 6.7 of the Government Code).

23 (d) In the event that the authority notifies the Franchise Tax
 24 Board of any amounts of a tax credit certificate that were
 25 erroneously awarded and were canceled pursuant to subdivision
 26 (j) of Section 64142 of the Government Code, those amounts shall
 27 not be allowed as a credit, and any previously allowed credit shall
 28 be recaptured. The taxpayer shall be liable for any increase in tax
 29 attributable to the recapture of any credit previously allowed under
 30 this section.

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

35 (f) This section shall remain in effect only until December 1,
 36 2019, and as of that date is repealed.

37 SEC. 5. Section 23660 is added to the Revenue and Taxation
 38 Code, to read:

39 23660. (a) (1) For each taxable year beginning on or after
 40 January 1, 2014, and before January 1, 2019, and subject to

1 subdivision (c), there shall be allowed as a credit against the “tax,”
2 as defined in Section 23036, an amount specified in paragraph (2),
3 to an exporter or importer that has been awarded a tax credit
4 certificate pursuant to the Job and Trade Competitiveness Act
5 (Division 4 (commencing with Section 64140) of Title 6.7 of the
6 Government Code).

7 (2) (A) If an exporter or importer exported or imported during
8 the preceding taxable year, the credit amount will be determined
9 as follows:

10 (i) The amount of credit allowed for an exporter or importer
11 that increases exports or imports through ports in California shall
12 be three dollars and twelve and one-half cents (\$3.125) per ton of
13 increased exports and imports for the taxable year through ports
14 in California by the exporter or importer.

15 (ii) The amount of credit allowed for an exporter or importer
16 that increases exports or imports through airports in California
17 shall be one thousand dollars (\$1,000) for each ten thousand dollars
18 (\$10,000) of increased exports and imports for the taxable year
19 through airports in California by the exporter or importer.

20 (B) If an exporter or importer did not export or import during
21 the preceding taxable year, the credit amount shall be determined
22 as follows:

23 (i) The amount of credit allowed for an exporter or importer
24 that exports or imports 400,000 or more tons through ports in
25 California in a taxable year shall be three dollars and twelve and
26 one-half cents (\$3.125) per ton of exports and imports for the
27 taxable year through ports in California by the exporter or importer.

28 (ii) The amount of credit allowed for an exporter or importer
29 that exports or imports two hundred fifty thousand dollars
30 (\$250,000) or more through airports in California shall be one
31 thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)
32 of exports and imports for the taxable year through airports in
33 California by the exporter or importer.

34 (b) For purposes of this section:

35 (1) “Authority” means the California Transportation Financing
36 Authority established in Section 64101 of the Government Code.

37 (2) “Exporter” has the same meaning as provided in subdivision
38 (g) of Section 64141 of the Government Code.

39 (3) “Importer” has the same meaning as provided in subdivision
40 (j) of Section 64141 of the Government Code.

1 (4) “Increased exports or imports” means the difference between
2 the amount of exports and imports, whether measured by tons or
3 dollars, in the current taxable year and the preceding taxable year
4 if the current taxable year has a greater amount of exports or
5 imports.

6 (5) “Tax credit certificate” has the same meaning as provided
7 in subdivision (m) of Section 64141 of the Government Code.

8 (c) The aggregate amount of credit allowed to a taxpayer under
9 this section and Sections 23665 and 23666 shall be no more than
10 two hundred fifty thousand dollars (\$250,000) for a taxable year
11 and shall be limited to the amount specified in the tax credit
12 certificate issued to the taxpayer pursuant to the Job and Trade
13 Competitiveness Act (Division 4 (commencing with Section 64140)
14 of Title 6.7 of the Government Code).

15 (d) In the event that the authority notifies the Franchise Tax
16 Board of any amounts of a tax credit certificate that were
17 erroneously awarded and were canceled pursuant to subdivision
18 (j) of Section 64142 of the Government Code, those amounts shall
19 not be allowed as a credit, and any previously allowed credit shall
20 be recaptured. The taxpayer shall be liable for any increase in tax
21 attributable to the recapture of any credit previously allowed under
22 this section.

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

27 (f) This section shall remain in effect only until December 1,
28 2019, and as of that date is repealed.

29 SEC. 6. Section 23665 is added to the Revenue and Taxation
30 Code, to read:

31 23665. (a) For each taxable year beginning on or after January
32 1, 2014, and before January 1, 2019, and subject to subdivision
33 (c), there shall be allowed as a credit against the “tax,” as defined
34 in Section 23036, to an exporter or importer that has been awarded
35 a tax credit certificate pursuant to the Job and Trade
36 Competitiveness Act (Division 4 (commencing with Section 64140)
37 of Title 6.7 of the Government Code), in an amount equal to three
38 thousand dollars (\$3,000) for each net increase in qualified
39 full-time employees hired in California during the taxable year by
40 an exporter or importer, in a taxable year.

1 (b) For purposes of this section:

2 (1) “Authority” means the California Transportation Financing
3 Authority established in Section 64101 of the Government Code.

4 (2) “Exporter” has the same meaning as provided in subdivision
5 (g) of Section 64141 of the Government Code.

6 (3) “Importer” has the same meaning as provided in subdivision
7 (j) of Section 64141 of the Government Code.

8 (4) “Qualified full-time employee” has the same meaning as
9 provided in subdivision (k) of Section 64141 of the Government
10 Code.

11 (5) “Tax credit certificate” has the same meaning as provided
12 in subdivision (m) of Section 64141 of the Government Code.

13 (c) The aggregate amount of the credit allowed to a taxpayer
14 under this section and Sections 23660 and 23666 shall be no more
15 than two hundred fifty thousand dollars (\$250,000) for a taxable
16 year and shall be limited to the amount specified in the tax credit
17 certificate issued to the taxpayer pursuant to the Job and Trade
18 Competitiveness Act (Division 4 (commencing with Section 64140)
19 of Title 6.7 of the Government Code).

20 (d) In the event that the authority notifies the Franchise Tax
21 Board of any amounts of a tax credit certificate that were
22 erroneously awarded and were canceled pursuant to subdivision
23 (j) of Section 64142 of the Government Code, those amounts shall
24 not be allowed as a credit, and any previously allowed credit shall
25 be recaptured. The taxpayer shall be liable for any increase in tax
26 attributable to the recapture of any credit previously allowed under
27 this section.

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

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

34 SEC. 7. Section 23666 is added to the Revenue and Taxation
35 Code, to read:

36 23666. (a) For each taxable year beginning on or after January
37 1, 2014, and before January 1, 2019, and subject to subdivision
38 (c), there shall be allowed as a credit against the “tax,” as defined
39 in Section 23036, to an exporter or importer that has been awarded
40 a tax credit certificate pursuant to the Job and Trade

1 Competitiveness Act (Division 4 (commencing with Section 64140)
2 of Title 6.7 of the Government Code), in an amount of up to, but
3 not to exceed, 2 percent of the total capital costs for a cargo facility
4 constructed in California by an exporter or importer during a
5 taxable year.

6 (b) For purposes of this section:

7 (1) “Authority” means the California Transportation Financing
8 Authority established in Section 64101 of the Government Code.

9 (2) “Capital costs” has the same meaning as provided in
10 subdivision (c) of Section 64141 of the Government Code.

11 (3) “Cargo facility” has the same meaning as provided in
12 subdivision (d) of the Government Code.

13 (4) “Exporter” has the same meaning as provided in subdivision
14 (g) of Section 64141 of the Government Code.

15 (5) “Importer” has the same meaning as provided in subdivision
16 (j) of Section 64141 of the Government Code.

17 (6) “Tax credit certificate” has the same meaning as provided
18 in subdivision (m) of Section 64141 of the Government Code.

19 (c) The aggregate amount of the credit allowed to a taxpayer
20 under this section and Sections 23660 and 23665 shall be no more
21 than two hundred fifty thousand dollars (\$250,000) for a taxable
22 year and shall be limited to the amount specified in the tax credit
23 certificate issued to the taxpayer pursuant to the Job and Trade
24 Competitiveness Act (Division 4 (commencing with Section 64140)
25 of Title 6.7 of the Government Code).

26 (d) In the event that the authority notifies the Franchise Tax
27 Board of any amounts of a tax credit certificate that were
28 erroneously awarded and were canceled pursuant to subdivision
29 (j) of Section 64142 of the Government Code, those amounts shall
30 not be allowed as a credit, and any previously allowed credit shall
31 be recaptured. The taxpayer shall be liable for any increase in tax
32 attributable to the recapture of any credit previously allowed under
33 this section.

34 (e) In the case where the credit allowed by this section exceeds
35 the “tax,” the excess may be carried over to reduce the “tax” in
36 the following year, and succeeding nine years, if necessary, until
37 the credit is exhausted.

38 (f) This section shall remain in effect only until December 1,
39 2019, and as of that date is repealed.

1 SEC. 8. 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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