

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1173

Introduced by Assembly Member Bocanegra

February 22, 2013

An act to ~~amend Section 23002 of~~ *add Section 17508.2 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1173, as amended, Bocanegra. ~~Corporation taxes.~~ *Personal income taxes: nonqualified deferred compensation plan.*

The Personal Income Tax Law conforms to the federal income tax law that includes in gross income the compensation from nonqualified deferred compensation plans that fail to meet specified requirements. These laws require the amount of tax imposed to be increased by the amount of interest at the underpayment rate, as specified, and 20% of the compensation that is required to be included in gross income.

This bill would substitute 5% in lieu of 20%.

This bill would take effect immediately as a tax levy.

~~The Corporation Tax Law specifies that its provisions are applicable to specified taxes.~~

~~This bill would make technical, nonsubstantive changes to those specification provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ *yes*. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 17508.2 is added to the Revenue and*
2 *Taxation Code, to read:*

3 *17508.2. Section 409A of the Internal Revenue Code is modified*
4 *as follows:*

5 *(a) By substituting the phrase “five percent” in lieu of the phrase*
6 *“20 percent” in Section 409A(a)(1)(B)(i)(II) of the Internal*
7 *Revenue Code.*

8 *(b) By substituting the phrase “five percent” in lieu of the phrase*
9 *“20 percent” in Section 409A(b)(5)(A)(ii) of the Internal Revenue*
10 *Code.*

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

13 ~~*SECTION 1. Section 23002 of the Revenue and Taxation Code*~~
14 ~~*is amended to read:*~~

15 ~~*23002. Except where otherwise expressly provided, all*~~
16 ~~*provisions of this part are applicable to the taxes imposed*~~
17 ~~*respectively under Chapter 2 (commencing with Section 23101),*~~
18 ~~*Chapter 2.5 (commencing with Section 23400), or Chapter 3*~~
19 ~~*(commencing with Section 23501), or to the predecessor acts of*~~
20 ~~*this part, the Bank and Corporation Franchise Tax Act, or the*~~
21 ~~*Corporation Income Tax Act, respectively.*~~