

**ASSEMBLY BILL**

**No. 1651**

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**Introduced by Assembly Member Donnelly  
(Principal coauthor: Assembly Member Grove)**

February 11, 2014

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An act to add Sections 17239 and 24356.9 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1651, as introduced, Donnelly. Income taxes: deductions: loss of fair market value.

The Personal Income Tax Law and the Corporation Tax Law authorize various deductions in computing income that is subject to tax under those laws.

This bill would allow as a deduction, under both of those laws for taxable years beginning on or after January 1, 2015, the amount of any loss of the fair market value of any tangible personal property that is attributable to a rule, regulation, or statute that took effect in the taxable year in which the deduction is claimed, as provided.

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 17239 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17239. For taxable years beginning on or after January 1, 2014,
- 4 there shall be allowed as a deduction the amount of any loss of the

1 fair market value of any tangible personal property attributable to  
2 a rule or regulation promulgated by a California state agency or a  
3 statute enacted by the California Legislature that took effect in the  
4 taxable year in which the deduction is claimed.

5 SEC. 2. Section 24356.9 is added to the Revenue and Taxation  
6 Code, to read:

7 24356.9. For taxable years beginning on or after January 1,  
8 2014, there shall be allowed as a deduction the amount of any loss  
9 of the fair market value of any tangible personal property  
10 attributable to a rule or regulation promulgated by a California  
11 state agency or a statute enacted by the California Legislature that  
12 took effect in the taxable year in which the deduction is claimed.

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