

AMENDED IN ASSEMBLY APRIL 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2329

Introduced by Assembly Member Melendez

February 21, 2014

An act to add Section 17132.9 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2329, as amended, Melendez. Personal Income Tax Law: exclusion: military veterans: ~~combat zone compensation and disability retirement payments~~; *concurrent retirement and disability pay*.

The Personal Income Tax Law provides various exclusions from gross income in determining tax liability, including an exclusion for *combat-related special compensation and death benefit payments* received by a surviving spouse or other beneficiary designated by a military veteran, as prescribed, who dies or is killed in the performance of duty, as provided.

This bill would, for taxable years beginning on or after January 1, 2015, exclude from gross income, as provided, ~~Combat-Related Special Compensation~~ and Concurrent Retirement and Disability Pay payments received by an eligible individual, as defined.

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 17132.9 is added to the Revenue and
2 Taxation Code, to read:

3 17132.9. (a) For each taxable year beginning on or after
4 January 1, 2015, gross income shall not include ~~Combat-Related~~
5 ~~Special Compensation~~ or Concurrent Retirement and Disability
6 Pay payments received by an eligible individual during the taxable
7 year.

8 (b) For purposes of this section:

9 (1) ~~“Combat-Related Special Compensation” means payments~~
10 ~~received by an eligible individual who performed service in a~~
11 ~~combat zone, as provided in Section 1413a of Title 10 of the United~~
12 ~~States Code.~~

13 (2)

14 (1) “Concurrent Retirement and Disability Pay” means payments
15 received by an eligible individual who is retired and entitled to
16 receive disability income, as provided in Section 1414 of Title 10
17 of the United States Code.

18 (3)

19 (2) “Eligible individual” means an active, reserve, or retired
20 member of the United States military who served in active duty.

21 (c) Nothing in this section shall be construed to create any
22 inference with respect to the proper tax treatment of
23 any ~~Combat-Related Special Compensation~~ or Concurrent
24 Retirement and Disability Pay payments received before January
25 1, 2015.

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