

AMENDED IN ASSEMBLY MAY 15, 2014

AMENDED IN ASSEMBLY APRIL 24, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2519**

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**Introduced by Assembly Member Patterson**  
**(Coauthors: Assembly Members Chávez and Harkey)**  
(Coauthors: Senators Vidak and Wright)

February 21, 2014

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An act to add *and repeal* Section 17053.51 ~~to~~ of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2519, as amended, Patterson. Personal income taxes: credit: education expenses.

The Personal Income Tax Law allows various credits against the taxes imposed by that law.

This bill would, for taxable years beginning on or after January 1, ~~2014~~ 2015, and before January 1, ~~2018~~ 2020, allow a credit in an amount equal to ~~50%~~ 15% of the tuition paid or incurred during the taxable year by a taxpayer for education and training obtained by the taxpayer or a dependent of the taxpayer at a vocational institution, as defined, *not to exceed \$2,500 per taxable year*.

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 17053.51 is added to the Revenue and  
2 Taxation Code, to read:

3 17053.51. (a) For ~~each taxable years~~ year beginning on or  
4 after January 1, ~~2014, 2015, and before January 1, 2020~~, there  
5 shall be allowed as a credit against the “net tax,” as defined in  
6 Section 17039, an amount equal to ~~50~~ 15 percent of the tuition  
7 paid or incurred ~~by a taxpayer~~ during the taxable year ~~by a taxpayer~~  
8 for education and training obtained by the taxpayer or a dependent  
9 of the taxpayer at a vocational ~~institution for job training and career~~  
10 ~~advancement studies~~ institution, not to exceed two thousand five  
11 hundred dollars (\$2,500) per taxable year.

12 (b) For purposes of this section, “vocational institution” means  
13 a private postsecondary institution that grants only certificates or  
14 associate ~~degrees and in which students are taught job-specific~~  
15 ~~skills in a variety of fields, including, but not limited to, the fields~~  
16 ~~of pharmacy technician or automotive technician~~ degrees.

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

21 (d) (1) *This credit shall not be allowed to a taxpayer who*  
22 *deducts the tuition paid or incurred by the taxpayer during the*  
23 *taxable year for education and training obtained by the taxpayer*  
24 *at a vocational institution as an ordinary and necessary business*  
25 *expense pursuant to Section 17201.*

26 (2) *This credit shall not be allowed to a taxpayer who pays for*  
27 *the tuition at a vocational institution with distributions from the*  
28 *taxpayer’s Golden State Scholarshare College Savings Account.*

29 (e) *This section shall be repealed on December 1, 2020.*

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