

AMENDED IN ASSEMBLY AUGUST 4, 2014

AMENDED IN ASSEMBLY JULY 2, 2014

AMENDED IN ASSEMBLY MAY 27, 2014

AMENDED IN SENATE MAY 13, 2013

AMENDED IN SENATE MAY 7, 2013

AMENDED IN SENATE APRIL 25, 2013

AMENDED IN SENATE APRIL 15, 2013

SENATE BILL

No. 355

Introduced by Senator Beall

February 20, 2013

An act to amend Sections 37006, 37011, 37012, 37013, 37014, 37032, 37034, 37035, and 37036 of the Public Resources Code, and to amend Sections 17053.30 and 23630 of the Revenue and Taxation Code, relating to ~~conservation, and making an appropriation therefor.~~ *taxation, to take effect immediately, tax levy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 355, as amended, Beall. ~~Conservation: tax credits: grant in lieu of tax credits.~~ *Income taxes: credit: conservation.*

The Natural Heritage Preservation Tax Credit Act of 2000 requires the Wildlife Conservation Board to implement a program under which property, as defined, may be contributed to the state, any local government, as defined, or to any nonprofit organization designated by a local government, based on specified criteria, in order to provide for the protection of wildlife habitat, open space, and agricultural lands.

The Personal Income Tax Law and the Corporation Tax Law allow a credit against the taxes imposed by those laws in the amount equal to 55% of the fair market value of any qualified contribution, defined as *a contribution of property* that has been approved for acceptance by the Wildlife Conservation Board, ~~made, that is made~~ no later than June 30, 2015, during the taxable year pursuant to the Natural Heritage Preservation Tax Credit Act of 2000, as provided. Those laws allow the credit to be carried over for 8 years if necessary.

~~The Natural Heritage Preservation Tax Credit Act of 2000 establishes the Natural Heritage Preservation Tax Credit Reimbursement Account in the General Fund to receive bond fund moneys from a local government or a department that is authorized to expend the moneys to acquire property by donation under the act. Existing law requires moneys in the account to be transferred to the General Fund for reimbursement of tax credits claimed under the act.~~

This bill would extend the period for when a qualified contribution is made for which a tax credit would be allowed to June 30, 2020. This bill would also extend the carryover period to 15 years *for a qualified contribution made on or after January 1, 2015*.

~~This bill would also allow, in lieu of those tax credits, a donor of a qualified contribution made on or after January 1, 2015, and not later than June 30, 2020, to make an irrevocable election to receive a grant, as specified. This bill would require a department or local government authorized to expend bond fund moneys to acquire property by donation to transfer amounts necessary to make the grants in lieu of the tax credits to the Natural Heritage Preservation Tax Credit Reimbursement Account. This bill would, upon receipt of funds in the Natural Heritage Preservation Tax Credit Reimbursement Account that are attributable to those grant amounts, continuously appropriate those funds to the Controller for transfer to the board to make the payment of those grants. This bill would exempt from gross income of a taxpayer any grant in lieu of the tax credit.~~

This bill would take effect immediately as a tax levy.

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

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

- 1 SECTION 1. ~~Section 37006 of the Public Resources Code is~~
- 2 amended to read:

1 ~~37006. (a) Under the program, upon approval by the board, a~~
2 ~~donor may contribute qualified property to a donee and receive a~~
3 ~~tax credit for a portion of the value of the property, as provided in~~
4 ~~Sections 17053.30 and 23630 of the Revenue and Taxation Code.~~
5 ~~(b) (1) In lieu of a tax credit under Section 17053.30 or Section~~
6 ~~23630 of the Revenue and Taxation Code, a donor of a qualified~~
7 ~~contribution made on or after January 1, 2015, and not later than~~
8 ~~June 30, 2020, may elect to receive a grant under this subdivision.~~
9 ~~The election shall be irrevocable and shall be reflected in the~~
10 ~~application of the donor submitted pursuant to Section 37011.~~
11 ~~(2) The board shall, subject to the requirements of this~~
12 ~~subdivision and as permitted by available funds pursuant to Chapter~~
13 ~~7 (commencing with Section 37030), provide a grant to the donor~~
14 ~~of the qualified contribution.~~
15 ~~(3) The amount of the grant under this subdivision shall be an~~
16 ~~amount equal to 55 percent of the fair market value of any~~
17 ~~contribution of property, as defined in Section 37002, that has been~~
18 ~~approved for acceptance by the board pursuant to this division.~~
19 ~~(4) The board shall make payment of any grant under this~~
20 ~~subdivision during the 60-day period beginning on the latter of~~
21 ~~either of the following:~~
22 ~~(A) The date of the application for the grant.~~
23 ~~(B) The date the qualified contribution was made.~~
24 ~~(c) The board shall adopt guidelines or regulations to implement~~
25 ~~the program, including procedures for applications submitted~~
26 ~~pursuant to Chapter 4 (commencing with Section 37010), for the~~
27 ~~grant in lieu of the tax credit, and for the evaluation of properties~~
28 ~~proposed to be contributed pursuant to the program. Chapter 3.5~~
29 ~~(commencing with Section 11340) of Part 1 of Division 3 of Title~~
30 ~~2 of the Government Code does not apply to the guidelines or~~
31 ~~regulations adopted pursuant to this section.~~
32 ~~SEC. 2. Section 37011 of the Public Resources Code is~~
33 ~~amended to read:~~
34 ~~37011. At a minimum, each application shall contain all of the~~
35 ~~following:~~
36 ~~(a) The identification of the donor and donee.~~
37 ~~(b) A description of the property, including documentation of~~
38 ~~how the property meets the criteria and qualifies for acceptance~~
39 ~~under the program.~~

1 ~~(e) A property appraisal meeting the requirements of Section~~
2 ~~170 of Title 26 of the United States Code, setting forth the fair~~
3 ~~market value of the property.~~

4 ~~(d) (1) A certification by the donor that the donor received no~~
5 ~~other valuable consideration for the donation of property.~~

6 ~~(2) A certification by the donor that the contribution was not,~~
7 ~~and is not, required to satisfy a condition imposed upon the donor~~
8 ~~by any lease, permit, license, certificate, or other entitlement for~~
9 ~~use issued by one or more public agencies, including, but not~~
10 ~~limited to, the mitigation of significant effects on the environment~~
11 ~~of a project pursuant to an approved environmental impact report~~
12 ~~or mitigated negative declaration required pursuant to the California~~
13 ~~Environmental Quality Act (Division 13 (commencing with Section~~
14 ~~21000)).~~

15 ~~(e) A certification by the donor that the application discloses~~
16 ~~any known or suspected environmental conditions associated with~~
17 ~~the property.~~

18 ~~(f) Any election of the donor, irrevocable if made, to receive a~~
19 ~~grant under Section 37006 in lieu of the tax credits under Sections~~
20 ~~17053.30 and 23630 of the Revenue and Taxation Code.~~

21 ~~SEC. 3. Section 37012 of the Public Resources Code is~~
22 ~~amended to read:~~

23 ~~37012. (a) Each donee shall evaluate applications submitted~~
24 ~~to it and prepare a plan for the board that sets forth the donee's~~
25 ~~priorities for acquisition of property that qualifies under the~~
26 ~~program. Consistent with the criteria established for the program,~~
27 ~~each donee may use its own priority lists and procedures in~~
28 ~~determining which properties or types of properties shall be given~~
29 ~~priority.~~

30 ~~(b) Each donee or the board may request that the applicant~~
31 ~~supply further information reasonably necessary to allow the donee~~
32 ~~or the board to evaluate the proposed donation.~~

33 ~~(c) The department may accept contributions of money from~~
34 ~~any taxpayer to pay or reimburse the costs of appraisal, escrow,~~
35 ~~title, and other transaction costs associated with the contribution~~
36 ~~of any particular property or set of properties, including any~~
37 ~~environmental assessments required by the department, and the~~
38 ~~costs of preparing any necessary management plan for the property~~
39 ~~or set of properties.~~

1 ~~(d) Prior to acquiring an easement or other interest in land~~
2 ~~pursuant to this division, a public hearing shall be held by the~~
3 ~~donee, if the donee is a public agency, or by the board if the donee~~
4 ~~is a designated nonprofit organization, in the local community.~~
5 ~~Notice shall be given by the donee or the board to the county board~~
6 ~~of supervisors of the affected county, adjacent landowners, affected~~
7 ~~water districts, local municipalities, and other interested parties,~~
8 ~~as determined by the donee or the board.~~

9 ~~(e) When submitting a donation of qualified property to the~~
10 ~~board for final approval, the donee shall provide the board with~~
11 ~~the fair market value of the property proposed for acceptance,~~
12 ~~based on appraisals that have been reviewed and approved by the~~
13 ~~Department of General Services.~~

14 ~~(f) The donee shall notify the board of any irrevocable election~~
15 ~~made by the donor to receive a grant under Section 37006 in lieu~~
16 ~~of the tax credits under Sections 17053.30 and 23630 of the~~
17 ~~Revenue and Taxation Code.~~

18 ~~SEC. 4. Section 37013 of the Public Resources Code is~~
19 ~~amended to read:~~

20 ~~37013. The board shall provide a list to the Joint Legislative~~
21 ~~Budget Committee and the Franchise Tax Board, in the form and~~
22 ~~manner determined by the Franchise Tax Board, of the names,~~
23 ~~taxpayer identification numbers, including taxpayer identification~~
24 ~~numbers of each partner or shareholder, as applicable, a legal~~
25 ~~description of the donated property, and the total amount of the~~
26 ~~tax credit or grant in lieu of the tax credit approved for each~~
27 ~~donation.~~

28 ~~SEC. 5. Section 37014 of the Public Resources Code is~~
29 ~~amended to read:~~

30 ~~37014. Assets received by a donee pursuant to this division~~
31 ~~shall not be deemed transfers pursuant to Chapter 9 (commencing~~
32 ~~with Section 2780) of Division 3 of the Fish and Game Code.~~
33 ~~Funds from the Habitat Conservation Fund, the Environmental~~
34 ~~Enhancement and Mitigation Program Fund created pursuant to~~
35 ~~Section 164.56 of the Streets and Highways Code, the State Parks~~
36 ~~and Recreation Fund, and the Wildlife Restoration Fund, may not~~
37 ~~be used to fund the tax credit or grant in lieu of the tax credit~~
38 ~~authorized pursuant to this division.~~

39 ~~SEC. 6. Section 37032 of the Public Resources Code is~~
40 ~~amended to read:~~

1 ~~37032. (a) If a department or local government identifies~~
 2 ~~property that may be acquired pursuant to this division and~~
 3 ~~determines that the acquisition would comply with the purpose of~~
 4 ~~a bond provision listed in subdivision (e) and any applicable~~
 5 ~~guidelines developed for that bond provision by the administering~~
 6 ~~agency, and all of the requirements of this division are met and~~
 7 ~~the department or local government acquires the property pursuant~~
 8 ~~to this division, the department or local government may expend~~
 9 ~~funds from the bond provision that have been appropriated,~~
 10 ~~allocated, or awarded to it, to acquire the property using the tax~~
 11 ~~credit or grant in lieu of the tax credit provided by this division.~~

12 ~~(b) The applicable bond provisions from which a department~~
 13 ~~or local government may use bond funds to acquire property using~~
 14 ~~the tax credit or grant in lieu of the tax credit provided by this~~
 15 ~~division do not include grants of bond funds distributed through~~
 16 ~~a competitive process.~~

17 ~~(c) The applicable bond provisions from which a department~~
 18 ~~or local government may expend bond funds pursuant to~~
 19 ~~subdivision (a) are the following:~~

20 ~~(1) Section 5096.615.~~

21 ~~(2) Subdivision (a) or (b), or paragraph (1) of subdivision (c),~~
 22 ~~of Section 5096.650.~~

23 ~~(3) Funds under paragraph (2) of subdivision (c) of Section~~
 24 ~~5096.650 that are to be expended pursuant to paragraph (6) of~~
 25 ~~subdivision (b) of Section 31220.~~

26 ~~(4) Section 79541 of the Water Code.~~

27 ~~(5) Section 79542 of the Water Code.~~

28 ~~(6) Section 79544 of the Water Code.~~

29 ~~(7) Subdivision (e) or (f) of Section 79550 of the Water Code.~~

30 ~~(8) Section 79565 of the Water Code.~~

31 ~~(9) Section 79568 of the Water Code.~~

32 ~~(10) Section 79570 of the Water Code.~~

33 ~~(11) Section 79572 of the Water Code.~~

34 ~~(12) Other bond funds, if the bond act specifies that its funds~~
 35 ~~may be used for the purposes of this division.~~

36 ~~SEC. 7. Section 37034 of the Public Resources Code is~~
 37 ~~amended to read:~~

38 ~~37034. (a) (1) If a department determines that property is~~
 39 ~~available for acquisition by donation, and that the acquisition of~~
 40 ~~the property would comply with the requirements of an applicable~~

1 ~~bond provision specified in subdivision (c) of Section 37032 and~~
2 ~~any applicable guidelines developed for that bond provision by~~
3 ~~the administering agency, and the department believes the~~
4 ~~acquisition of the property would comply with the requirements~~
5 ~~of this division, the department may request the prospective donor~~
6 ~~of the property to submit an application pursuant to Section 37010.~~
7 ~~If the prospective donor agrees to submit that application, the~~
8 ~~department may apply for approval of the donation pursuant to the~~
9 ~~requirements of this division.~~

10 (2) ~~If a local government determines that property is available~~
11 ~~for acquisition by donation, and that the acquisition of the property~~
12 ~~would comply with the requirements of an applicable bond~~
13 ~~provision specified in subdivision (c) of Section 37032 and any~~
14 ~~applicable guidelines developed for that bond provision by the~~
15 ~~administering agency, and the local government believes that the~~
16 ~~acquisition of the property would comply with the requirements~~
17 ~~of this division, the local government may request the department~~
18 ~~that allocated to it the relevant bond funds to determine whether~~
19 ~~it agrees with the local government's determinations and beliefs~~
20 ~~made pursuant to this paragraph. If the department agrees with the~~
21 ~~local government and gives its approval for the acquisition with~~
22 ~~bond funds that it has allocated to the local government, the local~~
23 ~~government may request the prospective donor of the property to~~
24 ~~submit an application pursuant to Section 37010. If the prospective~~
25 ~~donor agrees to submit the application, the local government may~~
26 ~~apply for approval of the donation pursuant to the requirements~~
27 ~~of this division.~~

28 (3) ~~In addition to the requirements of Section 37011, the~~
29 ~~application shall include, and shall not be accepted if it does not~~
30 ~~include, a signed authorization by the donor, in a form and manner~~
31 ~~mutually agreeable to the board and the Franchise Tax Board, for~~
32 ~~the disclosure of the information necessary to make the payment~~
33 ~~as required by subdivision (b). For purposes of subdivision (b) of~~
34 ~~Section 1798.24 of the Civil Code, the signed authorization shall~~
35 ~~be the donor's voluntary consent to the disclosure of the~~
36 ~~information.~~

37 (b) (1) ~~If the board gives approval, the department or local~~
38 ~~government may acquire the property pursuant to this division.~~
39 ~~Through the process outlined in this section, the department shall~~
40 ~~reimburse the General Fund for the tax credit claimed pursuant to~~

1 this chapter under Section 17053.30 or 23630 of the Revenue and
2 Taxation Code or fund the grant in lieu of those tax credits by
3 transferring bond funds identified under subdivision (c) of Section
4 37032 to the Natural Heritage Preservation Tax Credit
5 Reimbursement Account, on the basis of information provided to
6 the department under Section 37040 regarding credit claimed for
7 a qualified contribution under Section 17053.30 or 23630 of the
8 Revenue and Taxation Code in that tax year or information
9 provided to the department on the application pursuant to
10 subdivision (f) of Section 37011 regarding the irrevocable election
11 of the donor to receive a grant in lieu of the tax credit.

12 (2) If a local government applies directly to the board for
13 acceptance of a qualified donation, the board may provide
14 conditional approval for the local government to acquire the
15 property pursuant to this division. Through the process outlined
16 in this section, the local government shall reimburse the General
17 Fund for the tax credit claimed pursuant to this chapter under
18 Section 17053.30 or 23630 of the Revenue and Taxation Code or
19 to make the grant in lieu of those tax credits by transferring funds
20 in the full amount of the approved tax credit or grant to the board
21 for deposit into the Natural Heritage Preservation Tax Credit
22 Reimbursement Account.

23 (3) (A) Upon approval by the board, and prior to the time the
24 department, local government, or designated nonprofit organization
25 receives the property, the department shall encumber bond funds
26 identified under subdivision (c) of Section 37032 in an amount
27 necessary to pay for the tax credit as provided in Section 17053.30
28 or 23630, as applicable, of the Revenue and Taxation Code or to
29 make the grant in lieu of the tax credit.

30 (B) If a local government applies directly to the board for
31 acceptance of a qualified donation, and the board provides
32 conditional approval of the qualified donation, the local
33 government shall have 60 days to transfer to the board the full
34 amount of funds necessary to reimburse the General Fund or to
35 make the grant in lieu of the tax credit. Upon receipt of the funds
36 necessary to reimburse the General Fund or to make the grant in
37 lieu of the tax credit, the board shall provide the donor and the
38 local government with a notice of final approval of the tax credit
39 or grant in lieu of the tax credit. A tax credit or grant in lieu of the
40 tax credit is not approved until such time as the donor and local

1 government receive a final notification from the board that
2 sufficient funds have been received to reimburse the General Fund
3 for the loss of revenue associated with the tax credit or to make
4 the grant in lieu of the tax credit.

5 (C) The acquisition agreement or any other document that
6 clearly delineates the commitment pursuant to this division shall
7 be the only documentation required for the department to encumber
8 the bond funds as required by this paragraph.

9 (D) Except as prohibited by the relevant bond act,
10 notwithstanding Section 13340 of the Government Code or any
11 other provision of law, the encumbrance shall be available without
12 regard to fiscal years to allow payments to the Natural Heritage
13 Preservation Tax Credit Reimbursement Account for the tax credit
14 due the donor of the property under Section 17053.30 or 23630,
15 as applicable, of the Revenue and Taxation Code or to make any
16 grants in lieu of those tax credits.

17 (4) The Franchise Tax Board shall provide the board information
18 pursuant to subdivision (a) of Section 19560 of the Revenue and
19 Taxation Code on tax credits claimed. The information shall
20 include the tax year for which the credit was claimed. The board
21 shall provide the information required by Section 37040 to the
22 relevant department. Upon notification that a qualified tax credit
23 has been claimed, the department, pursuant to paragraph (1), shall
24 transfer bond funds in the amount of the tax credit for that tax year
25 to the Natural Heritage Preservation Tax Credit Reimbursement
26 Account within 60 days of receipt of the notification. The
27 department shall notify the board of this transfer.

28 (5) The board shall forward the information it receives pursuant
29 to paragraph (4) to the Controller and the Department of Finance,
30 which shall use the information for the purpose of attributing the
31 budgetary impact of the credit and bond fund transfer to the
32 appropriate tax and fiscal year.

33 SEC. 8. Section 37035 of the Public Resources Code is
34 amended to read:

35 37035. (a) (1) If a department determines that a designated
36 nonprofit organization, in lieu of the department, should accept
37 property that the department applies to acquire pursuant to
38 paragraph (1) of subdivision (a) of Section 37034, and determines
39 that the acceptance by the designated nonprofit organization would
40 comply with the purpose of the applicable bond provision specified

1 in subdivision (c) of Section 37032, the department may, upon
 2 that determination and upon making the determinations and having
 3 the belief required by paragraph (1) of subdivision (a) of Section
 4 37034, apply to acquire the property for that designated nonprofit
 5 organization pursuant to this division. The department shall not
 6 make that application until the prospective donor agrees to submit
 7 an application pursuant to Section 37010 and paragraph (3) of
 8 subdivision (a) of Section 37034 and the designated nonprofit
 9 organization agrees to accept the property if it is acquired pursuant
 10 to this division.

11 (2) If a local government determines that a designated nonprofit
 12 organization, in lieu of the local government, should accept
 13 property that the local government applies to acquire pursuant to
 14 paragraph (2) of subdivision (a) of Section 37034, and determines
 15 that the acceptance by the designated nonprofit organization would
 16 comply with the purpose of the applicable bond provision specified
 17 in subdivision (c) of Section 37032, the local government may,
 18 upon that determination and making the determinations and having
 19 the belief required by paragraph (2) of subdivision (a) of Section
 20 37034, request the department that allocated to it the relevant bond
 21 funds to determine whether it agrees with the local government's
 22 determinations made pursuant to this paragraph. If the department
 23 agrees with the local government, gives its approval for the
 24 designated nonprofit organization's acceptance of the property,
 25 and gives its approval pursuant to paragraph (2) of subdivision (a)
 26 of Section 37034, the local government may apply to acquire the
 27 property for that designated nonprofit organization pursuant to this
 28 division. The local government shall not make that application
 29 until the prospective donor agrees to submit an application pursuant
 30 to Section 37010 and paragraph (3) of subdivision (a) of Section
 31 37034 and the designated nonprofit organization agrees to accept
 32 the property if it is acquired pursuant to this division.

33 (b) If a department or local government applies for a designated
 34 nonprofit organization to acquire property, pursuant to subdivision
 35 (a), the department and donor, and the local government, if
 36 applicable, shall comply with all requirements of this division that
 37 apply to the department and donor, and to the local government,
 38 if applicable, when the department or local government otherwise
 39 applies to acquire property pursuant to this division.

1 ~~(e) If a local government applies for a designated nonprofit~~
2 ~~organization to acquire and accept donated property, the local~~
3 ~~government shall comply with all requirements of this division~~
4 ~~that apply to the local government transferring funds to the board~~
5 ~~necessary to reimburse the General Fund or to make the grant in~~
6 ~~lieu of the tax credits under Sections 17053.30 and 23630 of the~~
7 ~~Revenue and Taxation Code.~~

8 ~~SEC. 9.~~ Section 37036 of the Public Resources Code is
9 amended to read:

10 ~~37036. (a) The Natural Heritage Preservation Tax Credit~~
11 ~~Reimbursement Account is established in the General Fund to~~
12 ~~receive moneys paid pursuant to this chapter.~~

13 ~~(b) Moneys in the Natural Heritage Preservation Tax Credit~~
14 ~~Reimbursement Account shall be used only to reimburse the~~
15 ~~General Fund or to make the grant in lieu of the tax credits as~~
16 ~~determined by the departments pursuant to paragraph (1) of~~
17 ~~subdivision (b) of Section 37034.~~

18 ~~(c) Subject to subdivision (d), upon receipt of funds in the~~
19 ~~Natural Heritage Preservation Tax Credit Reimbursement Account~~
20 ~~and notification to the Legislature, the Controller shall transfer,~~
21 ~~within 60 days of the notification, the balance of the Natural~~
22 ~~Heritage Preservation Tax Credit Reimbursement Account to the~~
23 ~~General Fund.~~

24 ~~(d) Notwithstanding Section 13340 of the Government Code,~~
25 ~~there is hereby continuously appropriated to the Controller, those~~
26 ~~funds in the Natural Heritage Preservation Tax Credit~~
27 ~~Reimbursement Account that are attributable to amounts to be~~
28 ~~made as grants in lieu of the tax credits under Sections 17053.30~~
29 ~~and 23630 of the Revenue and Taxation Code, for transfer by the~~
30 ~~Controller to the board within the period described in paragraph~~
31 ~~(4) of subdivision (b) of Section 37006, to make the payments of~~
32 ~~the grants in lieu of those tax credits.~~

33 ~~(e) The moneys in the Natural Heritage Preservation Tax Credit~~
34 ~~Reimbursement Account may not be loaned to another fund and~~
35 ~~may not accrue interest.~~

36 ~~SEC. 10.~~

37 *SECTION 1.* Section 17053.30 of the Revenue and Taxation
38 Code is amended to read:

39 17053.30. (a) There shall be allowed as a credit against the
40 “net tax,” as defined in Section 17039, an amount equal to 55

1 percent of the fair market value of any qualified contribution made
2 on or after January 1, 2000, and not later than June 30, 2008, and
3 on or after January 1, 2010, and not later than June 30, 2020, by
4 the taxpayer during the taxable year to the state, any local
5 government, or any designated nonprofit organization, pursuant
6 to Division 28 (commencing with Section 37000) of the Public
7 Resources Code.

8 (b) For purposes of this section, “qualified contribution” means
9 a contribution of property, as defined in Section 37002 of the Public
10 Resources Code, that has been approved for acceptance by the
11 Wildlife Conservation Board pursuant to Division 28 (commencing
12 with Section 37000) of the Public Resources Code.

13 (c) In the case of any pass-thru entity, the fair market value of
14 any qualified contribution approved for acceptance under Division
15 28 (commencing with Section 37000) of the Public Resources
16 Code shall be passed through to the partners or shareholders of
17 the pass-thru entity in accordance with their interest in the pass-thru
18 entity as of the date of the qualified contribution. For purposes of
19 this subdivision, the term “pass-thru entity” means any partnership,
20 “S” corporation, or limited liability company treated as a
21 partnership.

22 (d) ~~¶(1)~~ *For a qualified contribution made on or after January*
23 *1, 2000, and before January 1, 2015, if the credit allowed by this*
24 *section exceeds the “net tax,” the excess may be carried over to*
25 *reduce the “net tax” in the following year, and the succeeding*~~14~~
26 *seven years if necessary, until the credit is exhausted.*

27 *(2) For a qualified contribution made on or after January 1,*
28 *2015, if the credit allowed by this section exceeds the “net tax,”*
29 *the excess may be carried over to reduce the “net tax” in the*
30 *following year, and the succeeding 14 years if necessary, until the*
31 *credit is exhausted.*

32 (e) ~~This credit or a grant under Section 37006 of the Public~~
33 ~~Resources Code shall be in lieu of any other credit or deduction~~
34 ~~which the taxpayer may otherwise claim pursuant to this part with~~
35 ~~respect to the property or any interest therein that is contributed.~~

36 ~~(f) (1) No credit shall be allowed under this section if the~~
37 ~~taxpayer has elected to receive a grant under subdivision (b) of~~
38 ~~Section 37006 of the Public Resources Code for that qualified~~
39 ~~contribution.~~

1 ~~(2) Any grant received under Section 37006 of the Public~~
2 ~~Resources Code shall not be included in the gross income of a~~
3 ~~taxpayer.~~

4 ~~SEC. 11.~~

5 *SEC. 2.* Section 23630 of the Revenue and Taxation Code is
6 amended to read:

7 23630. (a) There shall be allowed as a credit against the “tax,”
8 as defined in Section 23036, an amount equal to 55 percent of the
9 fair market value of any qualified contribution made on or after
10 January 1, 2000, and not later than June 30, 2008, and on or after
11 January 1, 2010, and not later than June 30, 2020, by the taxpayer
12 during the taxable year to the state, any local government, or any
13 designated nonprofit organization, pursuant to Division 28
14 (commencing with Section 37000) of the Public Resources Code.

15 (b) For purposes of this section, “qualified contribution” means
16 a contribution of property, as defined in Section 37002 of the Public
17 Resources Code, that has been approved for acceptance by the
18 Wildlife Conservation Board pursuant to Division 28 (commencing
19 with Section 37000) of the Public Resources Code.

20 (c) In the case of any pass-thru entity, the fair market value of
21 any qualified contribution approved for acceptance under Division
22 28 (commencing with Section 37000) of the Public Resources
23 Code shall be passed through to the partners or shareholders of
24 the pass-thru entity in accordance with their interest in the pass-thru
25 entity as of the date of the qualified contribution. For purposes of
26 this subdivision, the term “pass-thru entity” means any partnership
27 or “S” corporation.

28 (d) ~~¶(1)~~ *For a qualified contribution made on or after January*
29 *1, 2000, and before January 1, 2015, if the credit allowed by this*
30 *section exceeds the “tax,” the excess may be carried over to reduce*
31 *the “tax” in the following year, and the succeeding 14 seven years*
32 *if necessary, until the credit is exhausted.*

33 *(2) For a qualified contribution made on or after January 1,*
34 *2015, if the credit allowed by this section exceeds the “tax,” the*
35 *excess may be carried over to reduce the “tax” in the following*
36 *year, and the succeeding 14 years if necessary, until the credit is*
37 *exhausted.*

38 (e) This credit or a grant under Section 37006 of the Public
39 Resources Code shall be in lieu of any other credit or deduction

1 that the taxpayer may otherwise claim pursuant to this part with
2 respect to the property or any interest therein that is contributed.

3 ~~(f) (1) No credit shall be allowed under this section if a taxpayer~~
4 ~~has elected to receive a grant under subdivision (b) of Section~~
5 ~~37006 of the Public Resources Code for that qualified contribution.~~

6 ~~(2) Any grant received under Section 37006 of the Public~~
7 ~~Resources Code shall not be included in the gross income of a~~
8 ~~taxpayer.~~

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