

## Senate Bill No. 355

### CHAPTER 620

An act to amend Sections 17053.30 and 23630 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 26, 2014. Filed with  
Secretary of State September 26, 2014.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 355, Beall. 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, 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.

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 take effect immediately as a tax levy.

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

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

17053.30. (a) There shall be allowed as a credit against the "net tax," as defined in Section 17039, an amount equal to 55 percent of the fair market value of any qualified contribution made on or after January 1, 2000, and not later than June 30, 2008, and on or after January 1, 2010, and not later than June 30, 2020, by the taxpayer during the taxable year to the state, any local government, or any designated nonprofit organization, pursuant to Division 28 (commencing with Section 37000) of the Public Resources Code.

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

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

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

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

(e) This credit shall be in lieu of any other credit or deduction that the taxpayer may otherwise claim pursuant to this part with respect to the property or any interest therein that is contributed.

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

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

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

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

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

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

(e) This credit shall be in lieu of any other credit or deduction that the taxpayer may otherwise claim pursuant to this part with respect to the property or any interest therein that is contributed.

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