

ASSEMBLY BILL

No. 603

Introduced by Assembly Member Salas

February 24, 2015

An act to add Sections 17053.98 and 23698 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 603, as introduced, Salas. Income taxes: turf removal tax credit.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws, including a credit for an increase in qualified full-time employees of a qualified employer.

This bill would, under both laws, for taxable years beginning on and after January 1, 2015, allow a credit to a taxpayer participating in a lawn replacement program, as defined, in an amount equal to \$2 per square foot of conventional lawn removed from the taxpayer's property. The bill would make findings and declarations in this regard.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California has been experiencing more frequent and severe
- 4 droughts and is currently enduring its worst drought in 200 years.

1 (b) It is estimated that landscaping accounts for 60 percent of
2 all water consumed by residential customers. California lawns
3 cover more than 300,000 acres and consume more than 1.5 million
4 acre-feet of water per year.

5 (c) Californians have already begun to minimize lawn watering
6 by replacing conventional lawns with water-saving and
7 drought-resistant plants or artificial grass. These landscaping
8 alternatives are dependable tools for water conservation.

9 (d) In light of severe drought, California has an interest in
10 encouraging consumers to decrease water usage. Establishing a
11 state tax credit for the removal and replacement of conventional
12 grass landscapes will incentivize water conservation.

13 SEC. 2. Section 17053.98 is added to the Revenue and Taxation
14 Code, to read:

15 17053.98. (a) For each taxable year beginning on or after
16 January 1, 2015, there shall be allowed a credit against the “net
17 tax,” as defined by Section 17039, to a qualified taxpayer in an
18 amount equal to two dollars (\$2) per square foot of conventional
19 lawn removed from the qualified taxpayer’s property.

20 (b) For the purposes of this section, the following definitions
21 shall apply:

22 (1) “Lawn replacement program” means a local water agency
23 program that offers incentives to customers encouraging the
24 replacement of conventional lawns with artificial lawns,
25 drought-resistant plants, or other water-efficient landscaping.

26 (2) “Qualified taxpayer” means a person participating in a lawn
27 replacement program offered by a local water agency.

28 (c) The credit is allowed by this section notwithstanding Section
29 41.

30 SEC. 3. Section 23698 is added to the Revenue and Taxation
31 Code, to read:

32 23698. (a) For each taxable year beginning on or after January
33 1, 2015, there shall be allowed a credit against the “tax,” as defined
34 by Section 23036, to a qualified taxpayer in an amount equal to
35 two dollars (\$2) per square foot of conventional lawn removed
36 from the qualified taxpayer’s property.

37 (b) For the purposes of this section, the following definitions
38 shall apply:

39 (1) “Lawn replacement program” means a local water agency
40 program that offers incentives to customers encouraging the

1 replacement of conventional lawns with artificial lawns,
2 drought-resistant plants, or other water-efficient landscaping.

3 (2) “Qualified taxpayer” means a person participating in a lawn
4 replacement program offered by a local water agency.

5 (c) The credit is allowed by this section notwithstanding Section
6 41.

7 SEC. 4. This act provides for a tax levy within the meaning of
8 Article IV of the Constitution and shall go into immediate effect.

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