

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1139

Introduced by Assembly Member Campos

February 27, 2015

An act to amend Section 34000 of the Water Code, relating to water add Section 17053.98 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1139, as amended, Campos. ~~California Water District Law.~~
Personal income taxes: credit: turf removal.

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

This bill would, 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, up to \$50,000 per taxable year, as provided. The bill would make findings and declarations in this regard.

This bill would take effect immediately as a tax levy.

~~Existing law, the California Water District law, regulates the formation and operation of water districts in the state.~~

~~This bill would make nonsubstantive changes to the provision naming the California Water District Law.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-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 is currently enduring the fourth year of one of*
 4 *the worst droughts in the state’s history.*

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

9 *(c) Californians have already begun to minimize lawn watering*
 10 *by replacing conventional lawns with water-saving and*
 11 *drought-resistant plants or artificial grass. These landscaping*
 12 *alternatives are dependable tools for water conservation.*

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

17 *SEC. 2. Section 17053.98 is added to the Revenue and Taxation*
 18 *Code, to read:*

19 *17053.98. (a) For each taxable year beginning on or after*
 20 *January 1, 2015, there shall be allowed a credit against the “net*
 21 *tax,” as defined by Section 17039, to a qualified taxpayer in an*
 22 *amount equal to two dollars (\$2) per square foot of conventional*
 23 *lawn removed from the qualified taxpayer’s qualified real property,*
 24 *not to exceed fifty thousand dollars (\$50,000) per taxable year.*

25 *(b) For the purposes of this section, the following definitions*
 26 *shall apply:*

27 *(1) “Lawn replacement program” means a local water agency*
 28 *program that offers incentives to customers encouraging the*
 29 *replacement of conventional lawns with artificial lawns,*
 30 *drought-resistant plants, or other water-efficient landscaping.*

31 *(2) “Multifamily residential real property” means any real*
 32 *property that is improved with, or consisting of, a building*
 33 *containing more than one unit that is intended for human*
 34 *habitation, or any mixed residential-commercial buildings or*
 35 *portions thereof that are intended for human habitation.*
 36 *Multifamily residential real property includes residential hotels*
 37 *but does not include hotels and motels that are not residential*
 38 *hotels.*

1 (3) “Qualified real property” means either multifamily
2 residential real property or single-family real property in this
3 state.

4 (4) “Qualified taxpayer” means a person that owns qualified
5 real property that is participating in a lawn replacement program.

6 (5) “Single-family residential real property” means any real
7 property that is improved with, or consisting of, a building
8 containing not more than one unit that is intended for human
9 habitation.

10 (c) Section 41 does not apply to the credit allowed by this
11 section.

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

14 SECTION 1. ~~Section 34000 of the Water Code is amended to~~
15 ~~read:~~

16 ~~34000. This division shall be known, and may be cited, as the~~
17 ~~California Water District Law.~~