

AMENDED IN SENATE JANUARY 5, 2016
AMENDED IN SENATE AUGUST 31, 2015
AMENDED IN SENATE JULY 16, 2015
AMENDED IN SENATE JUNE 29, 2015
AMENDED IN SENATE JUNE 3, 2015
AMENDED IN SENATE MAY 5, 2015

SENATE BILL

No. 681

Introduced by Senator Hill
(Principal coauthor: Assembly Member Mullin)

February 27, 2015

~~An act to add Section 24446 to the Revenue and Taxation Code, relating to income taxation, and declaring the urgency thereof, to take effect immediately. An act to amend Sections 21453 and 42001.15 of the Vehicle Code, relating to vehicles.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 681, as amended, Hill. ~~Corporation taxes: deduction: gas corporations. Vehicles: right turn violations.~~

Existing law requires a driver facing a steady circular red signal alone to stop at a marked limit line, but if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection, and to remain stopped until an indication to proceed is shown, except as specified. A violation of this provision is an infraction punishable by a fine of \$100.

This bill would recast those provisions, and instead would require that a violation of this provision for a right turn or a left turn from a one-way street onto a one-way street is punishable by a fine of \$35.

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations:~~

~~The Corporation Tax Law allows various deductions in computing the income that is subject to the taxes imposed by those laws, and in modified conformity with federal law, allows a deduction for ordinary and necessary expenses carrying on a trade or business. Existing law provides that no deduction is allowed for any fine or similar penalty paid to a government for the violation of any law:~~

~~For the taxable year beginning on January 1, 2015, this bill would not allow a deduction under the Corporation Tax Law for expenses or expenditures by a gas corporation that the Public Utilities Commission identified in a decision to penalize the gas corporation for a natural gas safety violation. For any taxable year for which those expenses or expenditures are paid or incurred, the bill would require a gas corporation to provide with the return a certification, under penalty of perjury, that none of those expenses or expenditures were taken into account, directly or indirectly, in determining the amount of income of the gas corporation, or any other related taxpayer, that is subject to tax under the Corporation Tax Law, for that taxable year. By expanding the scope of the crime of perjury, this bill would impose a state-mandated local program:~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason:~~

~~This bill would declare that it is to take effect immediately as an urgency statute:~~

~~Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: *yes-no*. State-mandated local program: *yes-no*.~~

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

- 1 SECTION 1. Section 21453 of the Vehicle Code is amended to
- 2 read:
- 3 21453. (a) A driver facing a steady circular red signal alone
- 4 shall stop at a marked limit line, but if none, before entering the

1 crosswalk on the near side of the intersection or, if none, then
2 before entering the intersection, and shall ~~remain stopped~~ *not*
3 *proceed straight through the intersection, turn left, except from a*
4 *one-way street onto a one-way street, or turn in a manner*
5 *prohibited by a sign, until an indication to proceed is shown, except*
6 ~~as provided in subdivision (b).~~ *shown.*

7 ~~(b) Except when a sign is in place prohibiting a turn, a driver,~~
8 ~~after stopping as required by subdivision (a), facing a steady~~
9 ~~circular red signal, may turn right, or turn left from a one-way~~
10 ~~street onto a one-way street. A~~

11 *(b) (1) A driver facing a steady circular red signal alone shall,*
12 *prior to turning right or turning left from a one-way street onto a*
13 *one-way street, stop at a marked limit line, but if none, before*
14 *entering the crosswalk on the near side of the intersection or, if*
15 *none, then before entering the intersection.*

16 *(2) A driver making that a turn pursuant to paragraph (1) shall*
17 *yield the right-of-way to pedestrians lawfully within an adjacent*
18 *crosswalk and to any vehicle that has approached or is approaching*
19 *so closely as to constitute an immediate hazard to the driver, and*
20 *shall continue to yield the right-of-way to that vehicle until the*
21 *driver can proceed with reasonable safety.*

22 *(c) A driver facing a steady red arrow signal shall not enter the*
23 *intersection to make the movement indicated by the arrow and,*
24 *unless entering the intersection to make a movement permitted by*
25 *another signal, shall stop at a clearly marked limit line, but if none,*
26 *before entering the crosswalk on the near side of the intersection,*
27 *or if none, then before entering the intersection, and shall remain*
28 *stopped until an indication permitting movement is shown.*

29 *(d) Unless otherwise directed by a pedestrian control signal as*
30 *provided in Section 21456, a pedestrian facing a steady circular*
31 *red or red arrow signal shall not enter the roadway.*

32 *SEC. 2. Section 42001.15 of the Vehicle Code is amended to*
33 *read:*

34 *42001.15. (a) Every person convicted of an infraction for a*
35 *violation of subdivision (a) or (c) of Section 21453, subdivision*
36 *(c) of Section 21454, or subdivision (a) of Section 21457 shall be*
37 *punished by a fine of one hundred dollars (\$100).*

38 *(b) Every person convicted of an infraction for a violation of*
39 *paragraph (1) of subdivision (b) of Section 21453 shall be punished*
40 *by a fine of thirty-five dollars (\$35).*

1 SECTION 1. ~~The Legislature finds and declares both of the~~
2 ~~following:~~

3 (a) ~~A fine or similar penalty paid at the direction of the~~
4 ~~government, where the government has determined the fine or~~
5 ~~similar penalty to be punitive, is not an ordinary and necessary~~
6 ~~business expense and, therefore, no deduction shall be allowed for~~
7 ~~any fine or similar penalty paid at the direction of the government~~
8 ~~for the violation of any law.~~

9 (b) ~~Subdivision (a) does not constitute a change in, but is~~
10 ~~declaratory of, existing law.~~

11 SEC. 2. ~~Section 24446 is added to the Revenue and Taxation~~
12 ~~Code, to read:~~

13 24446. (a) ~~For the taxable year beginning January 1, 2015, no~~
14 ~~deduction shall be allowed for any amount paid or incurred by a~~
15 ~~gas corporation, as defined in Section 222 of the Public Utilities~~
16 ~~Code, for expenses or expenditures identified by the Public Utilities~~
17 ~~Commission in a decision to penalize the gas corporation for a~~
18 ~~natural gas safety violation, including any of the following:~~

19 (1) ~~Future gas infrastructure improvements related to~~
20 ~~transmission pipeline safety to be paid for by shareholders of the~~
21 ~~gas corporation.~~

22 (2) ~~Bill credits for the gas ratepayers of the gas corporation.~~

23 (3) ~~The implementation of pipeline safety remedies and~~
24 ~~reimbursement of the Public Utilities Commission for its costs~~
25 ~~incurred in investigating and enforcing violations of law relating~~
26 ~~to the public safety by the gas corporation.~~

27 (b) ~~For any taxable year for which expenses or expenditures~~
28 ~~identified in subdivision (a) are paid or incurred, the gas~~
29 ~~corporation shall provide with the return, for that taxable year, a~~
30 ~~certification, under penalty of perjury, that none of those expenses~~
31 ~~or expenditures were taken into account, directly or indirectly, in~~
32 ~~determining the amount of income of the gas corporation, or any~~
33 ~~other related taxpayer, that is subject to tax under this part, for that~~
34 ~~taxable year.~~

35 SEC. 3. ~~No reimbursement is required by this act pursuant to~~
36 ~~Section 6 of Article XIII B of the California Constitution because~~
37 ~~the only costs that may be incurred by a local agency or school~~
38 ~~district will be incurred because this act creates a new crime or~~
39 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
40 ~~for a crime or infraction, within the meaning of Section 17556 of~~

1 the Government Code, or changes the definition of a crime within
2 the meaning of Section 6 of Article XIII B of the California
3 Constitution.

4 SEC. 4. This act is an urgency statute necessary for the
5 immediate preservation of the public peace, health, or safety within
6 the meaning of Article IV of the Constitution and shall go into
7 immediate effect. The facts constituting the necessity are:

8 In order for the provisions of this act to be applicable to the
9 current tax year and to better ensure the effectiveness of decisions
10 of the Public Utilities Commission protecting the public safety, it
11 is necessary that this act take effect immediately.