

ASSEMBLY BILL

No. 1080

Introduced by Assembly Member Villaraigosa

February 25, 1999

An act to add Sections 17058.5, 17058.6, 23610.6, and 23610.7 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1080, as introduced, Villaraigosa. Income and bank and corporation taxes: credit: community investment: neighborhood assistance.

The Personal Income Tax Law and the Bank and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would allow a community investment tax credit to a development sponsor or a community facility in an amount determined, as provided. This bill would also allow a neighborhood assistance tax credit in an amount equal to 50% of the amount contributed to an eligible community development corporation pursuant to a voucher issued to the corporation, as provided.

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. Section 17058.5 is added to the Revenue
2 and Taxation Code, to read:

3 17058.5. (a) There shall be allowed as a credit against
4 the “net tax,” as defined in Section 17039, a community
5 investment tax credit, in an amount determined pursuant
6 to subdivision (c), to a development sponsor of a
7 community facility located in a Qualified Census Tract.

8 (b) For purposes of this section:

9 (1) “Development sponsor” means the owner of a
10 community facility for which an allocation of community
11 investment tax credit is requested, its legal successors, or
12 assigns.

13 (2) “Community facility” means a child care facility,
14 charter school, health clinic, or similar facilities identified
15 and approved by the California Tax Credit Allocation
16 Committee.

17 (3) “Qualified Census Tract” shall have the meaning
18 set forth in Section 42(d)(5)(C)(ii)(I) of the Internal
19 Revenue Code.

20 (c) The amount of the credit allocated to any
21 development sponsor shall be determined by the
22 California Tax Credit Allocation Committee based on the
23 community facility’s need for the credit for economic
24 feasibility, and other requirements established by the Tax
25 Credit Allocation Committee.

26 (d) The aggregate community investment tax credit
27 dollar amount that may be allocated annually by the
28 California Tax Credit Allocation Committee pursuant to
29 this section and Section 23610.6, shall be thirty-five
30 million dollars (\$35,000,000).

31 (e) In the case where the credit allowed by this section
32 exceeds the “net tax,” the excess may be carried over to
33 reduce the “net tax” in the following year, and
34 succeeding years if necessary, until the credit is
35 exhausted.

36 SEC. 2. Section 17058.6 is added to the Revenue and
37 Taxation Code, to read:



1 17058.6. (a) (1) There shall be allowed as a credit
2 against the “net tax,” as defined in Section 17039, a
3 neighborhood assistance tax credit, equal to 50 percent of
4 the amount contributed during the taxable year by a
5 taxpayer to an eligible community development
6 corporation pursuant to a voucher issued to the
7 community development corporation pursuant to
8 subdivision (b).

9 (2) “Eligible community development corporation”
10 means those community-based, nonprofit organizations
11 that sponsor, develop, or manage any affordable housing
12 or community project or program that primarily benefits
13 low- and moderate-income persons, families, or
14 geographic areas.

15 (b) The California Tax Credit Allocation Committee
16 shall establish criteria for the award of tax credit vouchers
17 to eligible community development corporations.
18 Community development corporations that are awarded
19 tax credit vouchers may provide the voucher to a
20 taxpayer, or taxpayers, who may claim a tax credit
21 pursuant to the terms of the voucher.

22 (c) The aggregate neighborhood assistance tax credit
23 dollar amount that may be allocated annually by the
24 California Tax Credit Allocation Committee pursuant to
25 this section and Section 23610.7 shall be fifteen million
26 dollars (\$15,000,000).

27 (d) In the case where the credit allowed by this section
28 exceeds the “net tax,” the excess may be carried over to
29 reduce the “net tax” in the following year, and
30 succeeding years if necessary, until the credit is
31 exhausted.

32 SEC. 3. Section 23610.6 is added to the Revenue and
33 Taxation Code, to read:

34 23610.6. (a) There shall be allowed as a credit against
35 the “tax,” as defined in Section 23036, a community
36 investment tax credit, in an amount determined pursuant
37 to subdivision (c), to a development sponsor of a
38 community facility located in a Qualified Census Tract.

39 (b) For purposes of this section:



1 (1) “Development sponsor” means the owner of a
2 community facility for which an allocation of community
3 investment tax credit is requested, its legal successors, or
4 assigns.

5 (2) “Community facility” means a child care facility,
6 charter school, health clinic, or similar facilities identified
7 and approved by the California Tax Credit Allocation
8 Committee.

9 (3) “Qualified Census Tract” shall have the meaning
10 set forth in Section 42(d)(5)(C)(ii)(I) of the Internal
11 Revenue Code.

12 (c) The amount of the credit allocated to any
13 development sponsor shall be determined by the
14 California Tax Credit Allocation Committee based on the
15 community facility’s need for the credit for economic
16 feasibility, and other requirements established by the
17 California Tax Credit Allocation Committee.

18 (d) The aggregate community investment tax credit
19 dollar amount that may be allocated annually by the
20 California Tax Credit Allocation Committee pursuant to
21 this section and Section 17058.5, shall be thirty-five
22 million dollars (\$35,000,000).

23 (e) In the case where the credit allowed by this section
24 exceeds the “tax,” the excess may be carried over to
25 reduce the “tax” in the following year, and succeeding
26 years if necessary, until the credit is exhausted.

27 SEC. 4. Section 23610.7 is added to the Revenue and
28 Taxation Code, to read:

29 23610.7. (a) (1) There shall be allowed as a credit
30 against the “tax,” as defined in Section 23036, a
31 neighborhood assistance tax credit, equal to 50 percent of
32 the amount contributed during the income year by a
33 taxpayer to an eligible community development
34 corporation pursuant to a voucher issued to the
35 community development corporation pursuant to
36 subdivision (b).

37 (2) “Eligible community development corporation”
38 means those community-based, nonprofit organizations
39 that sponsor, develop, or manage any affordable housing
40 or community project or program that primarily benefits



1 low- and moderate-income persons, families, or
2 geographic areas.

3 (b) The California Tax Credit Allocation Committee
4 shall establish criteria for the award of tax credit vouchers
5 to eligible community development corporations.
6 Community development corporations that are awarded
7 tax credit vouchers may provide the voucher to a
8 taxpayer, or taxpayers, who may claim a tax credit
9 pursuant to the terms of the voucher.

10 (c) The aggregate neighborhood assistance tax credit
11 dollar amount that may be allocated annually by the
12 California Tax Credit Allocation Committee pursuant to
13 this section and Section 17058.6 shall be fifteen million
14 dollars (\$15,000,000).

15 (d) In the case where the credit allowed by this section
16 exceeds the “tax,” the excess may be carried over to
17 reduce the “tax” in the following year, and succeeding
18 years if necessary, until the credit is exhausted.

19 SEC. 5. This act provides for a tax levy within the
20 meaning of Article IV of the Constitution and shall go into
21 immediate effect.

