

AMENDED IN ASSEMBLY JULY 3, 2007

AMENDED IN SENATE MARCH 7, 2007

AMENDED IN SENATE FEBRUARY 20, 2007

SENATE BILL

No. 114

Introduced by Senators Florez and Hollingsworth
(Principal coauthor: Senator Ducheny)
(Principal coauthor: Assembly Member Arambula)
(Coauthors: Senators Alquist and Cogdill)

January 22, 2007

An act to amend Sections 218, 17207, and 24347.5 of, and to add Sections 195.116, 195.117, and 195.118 to, the Revenue and Taxation Code, relating to disaster relief, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 114, as amended, Florez. Disaster relief.

(1) Existing law authorizes a county board of supervisors to provide by ordinance for the reassessment of property that is damaged or destroyed, without fault on the part of the assessee, by a major misfortune or calamity, upon the application of the assessee or upon the action of the county assessor with the board's approval. With respect to certain counties that have adopted reassessment ordinances and have been declared by the Governor to be in a state of emergency as a result of certain events, existing law provides for state allocations of the estimated amounts of the reductions in property tax revenues resulting in certain fiscal years from reassessments under those ordinances. Existing law also continuously appropriates, without regard to fiscal

years, moneys in the Special Fund for Economic Uncertainties for purposes of funding these state allocations.

This bill would provide for similar state allocations with respect to property tax revenue reductions resulting from a reassessment for damages incurred within the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba that were declared by the Governor to be in a state of emergency due to severe freezing conditions that commenced January 11, 2007.

By requiring moneys continuously appropriated from the Special Fund for Economic Uncertainties to be allocated for the new purpose of reimbursing these counties for these property tax revenue reductions, this bill would make an appropriation.

(2) Existing property tax law provides, pursuant to a specified provision of the California Constitution, for a homeowners' property tax exemption in the amount of \$7,000 of the full value of a "dwelling," as defined.

This bill would provide that any dwelling that qualified for the exemption prior to January 11, 2007, that was damaged or destroyed by the severe freezing conditions, commencing January 11, 2007, that occurred in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba, as declared by the Governor, and that has not changed ownership since January 11, 2007, may not be denied the exemption solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to severe freezing conditions.

The California Constitution requires the Legislature, in each fiscal year, to reimburse local governments for the revenue losses incurred by those governments in that fiscal year as a result of the homeowners' property tax exemption.

This bill would state the intent of the Legislature to make this required reimbursement in the annual Budget Act. By requiring local tax officials to implement new exemption criteria, 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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) The Personal Income Tax Law and the Corporation Tax Law provide for the carryover to specified taxable years of specified losses sustained as a result of certain disasters occurring in California in an area determined by the President of the United States to warrant specified federal assistance, or proclaimed by the Governor to be in a state of emergency.

This bill would extend these provisions to losses sustained in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a result of the severe freezing conditions that occurred in January 2007. This bill would authorize a taxpayer to make an election to claim a deduction for those losses on the tax return for the preceding year.

(4) (A) *This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by SB 38 and AB 62, to be operative only if SB 38, AB 62, and this bill are all enacted, all 3 bills amend the respective sections, and this bill is enacted after SB 38 and AB 62.*

(B) *This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by SB 38, to be operative only if SB 38 and this bill are both enacted, each bill amends the respective sections, AB 62 is not enacted or if enacted, does not amend those sections, and this bill is enacted after SB 38.*

(C) *This bill would incorporate additional changes to Sections 218, 17207, and 24347.5 of the Revenue and Taxation Code, proposed by AB 62, to be operative only if AB 62 and this bill are both enacted, each bill amends the respective sections, SB 38 is not enacted, or if enacted, does not amend those sections, and this bill is enacted after AB 62.*

(4)

(5) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

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

SECTION 1. Section 195.116 is added to the Revenue and Taxation Code, to read:

195.116. (a) By September 30, 2007, the auditors of the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject of the Governor's proclamations of a state of emergency for the severe freezing conditions that commenced January 11, 2007, shall certify to the Director of Finance an estimate of the total amount of the reduction in property tax revenues on both the regular secured roll and the supplemental roll for the 2006–07 fiscal year resulting from the reassessment by the county assessor pursuant to paragraph (1) of subdivision (a) of Section 170 of those properties that are eligible properties as a result of that disaster, except that the amount certified shall not include any estimated property tax revenue reductions to school districts, other than basic state aid school districts, and county offices of ~~education~~ education.

(b) For purposes of this section, "basic state aid school district" means any school district that does not receive a state apportionment pursuant to subdivision (h) of Section 42238 of the Education Code, but receives from the state only a basic apportionment pursuant to Section 6 of Article IX of the California Constitution.

SEC. 2. Section 195.117 is added to the Revenue and Taxation Code, to read:

195.117. After the county auditor of an eligible county, as described in Section 195.116, has made the applicable certification to the Director of Finance pursuant to that section, the director shall within 30 days after verification of the county auditor's estimate, certify this amount to the Controller for allocation to the county. Upon receipt of certification from the Director of Finance, the Controller shall make the appropriate allocation to the county within 10 working days.

SEC. 3. Section 195.118 is added to the Revenue and Taxation Code, to read:

195.118. (a) On or before June 30, 2008, each eligible county, as described in Section 195.116, shall compute and remit to the

1 Controller for deposit in the General Fund an amount equal to the
2 amount allocated to it by the Controller pursuant to Section
3 195.117, less the actual amount of its property tax revenue lost on
4 the regular secured and supplemental rolls with respect to those
5 eligible properties described in Section 195.116 as a result of the
6 reassessment of those properties pursuant to paragraph (1) of
7 subdivision (a) of Section 170, excluding any property tax revenue
8 lost by school districts, other than basic state aid school districts,
9 and county offices of education. If the actual amount of property
10 tax revenue lost by an eligible county in the immediately preceding
11 fiscal year, as described and limited in the preceding sentence,
12 exceeds the amount allocated by the Controller to that county
13 pursuant to Section 195.117, the Controller shall allocate the
14 amount of that excess to that eligible county.

15 (b) For purposes of this section, “basic state aid school district”
16 means any school district that does not receive a state
17 apportionment pursuant to subdivision (h) of Section 42238 of the
18 Education Code, but receives from the state only a basic
19 apportionment pursuant to Section 6 of Article IX of the California
20 Constitution.

21 SEC. 4. Section 218 of the Revenue and Taxation Code is
22 amended to read:

23 218. (a) The homeowners’ property tax exemption is in the
24 amount of the assessed value of the dwelling specified in this
25 section, as authorized by subdivision (k) of Section 3 of Article
26 XIII of the Constitution. That exemption shall be in the amount
27 of seven thousand dollars (\$7,000) of the full value of the dwelling.

28 (b) The exemption does not extend to property that is rented,
29 vacant, under construction on the lien date, or that is a vacation or
30 secondary home of the owner or owners, nor does it apply to
31 property on which an owner receives the veteran’s exemption.

32 (c) For purposes of this section, all of the following apply:

33 (1) “Owner” includes a person purchasing the dwelling under
34 a contract of sale or who holds shares or membership in a
35 cooperative housing corporation, which holding is a requisite to
36 the exclusive right of occupancy of a dwelling.

37 (2) (A) “Dwelling” means a building, structure, or other shelter
38 constituting a place of abode, whether real property or personal
39 property, and any land on which it may be situated. A two-dwelling
40 unit shall be considered as two separate single-family dwellings.

1 (B) “Dwelling” includes the following:

2 (i) A single-family dwelling occupied by an owner thereof as
3 his or her principal place of residence on the lien date.

4 (ii) A multiple-dwelling unit occupied by an owner thereof on
5 the lien date as his or her principal place of residence.

6 (iii) A condominium occupied by an owner thereof as his or her
7 principal place of residence on the lien date.

8 (iv) Premises occupied by the owner of shares or a membership
9 interest in a cooperative housing corporation, as defined in
10 subdivision (i) of Section 61, as his or her principal place of
11 residence on the lien date. Each exemption allowed pursuant to
12 this subdivision shall be deducted from the total assessed valuation
13 of the cooperative housing corporation. The exemption shall be
14 taken into account in apportioning property taxes among owners
15 of share or membership interests in the cooperative housing
16 corporations so as to benefit those owners who qualify for the
17 exemption.

18 (d) Any dwelling that qualified for an exemption under this
19 section prior to October 20, 1991, that was damaged or destroyed
20 by fire in a disaster, as declared by the Governor, occurring on or
21 after October 20, 1991, and before November 1, 1991, and that
22 has not changed ownership since October 20, 1991, shall not be
23 disqualified as a “dwelling” or be denied an exemption under this
24 section solely on the basis that the dwelling was temporarily
25 damaged or destroyed or was being reconstructed by the owner.

26 (e) Any dwelling that qualified for an exemption under this
27 section prior to October 15, 2003, that was damaged or destroyed
28 by fire or earthquake in a disaster, as declared by the Governor,
29 during October, November, or December 2003, and that has not
30 changed ownership since October 15, 2003, shall not be
31 disqualified as a “dwelling” or be denied an exemption under this
32 section solely on the basis that the dwelling was temporarily
33 damaged or destroyed or was being reconstructed by the owner.

34 (f) Any dwelling that qualified for an exemption under this
35 section prior to June 3, 2004, that was damaged or destroyed by
36 flood in a disaster, as declared by the Governor, during June 2004,
37 and that has not changed ownership since June 3, 2004, shall not
38 be disqualified as a “dwelling” or be denied an exemption under
39 this section solely on the basis that the dwelling was temporarily
40 damaged or destroyed or was being reconstructed by the owner.

1 (g) Any dwelling that qualified for an exemption under this
2 section prior to August 11, 2004, that was damaged or destroyed
3 by the wildfires and any other related casualty that occurred in
4 Shasta County in a disaster, as declared by the Governor, during
5 August 2004, and that has not changed ownership since August
6 11, 2004, shall not be disqualified as a “dwelling” or be denied an
7 exemption under this section solely on the basis that the dwelling
8 was temporarily damaged or destroyed or was being reconstructed
9 by the owner.

10 (h) Any dwelling that qualified for an exemption under this
11 section prior to December 28, 2004, that was damaged or destroyed
12 by severe rainstorms, floods, mudslides, or the accumulation of
13 debris in a disaster, as declared by the Governor, during December
14 2004, January 2005, February 2005, March 2005, or June 2005,
15 and that has not changed ownership since December 28, 2004,
16 shall not be disqualified as a “dwelling” or be denied an exemption
17 under this section solely on the basis that the dwelling was
18 temporarily damaged or destroyed or was being reconstructed by
19 the owner, or was temporarily uninhabited as a result of restricted
20 access to the property due to floods, mudslides, the accumulation
21 of debris, or washed-out or damaged roads.

22 (i) Any dwelling that qualified for an exemption under this
23 section prior to December 19, 2005, that was damaged or destroyed
24 by severe rainstorms, floods, mudslides, or the accumulation of
25 debris in a disaster, as declared by the Governor in January 2006,
26 April 2006, May 2006, or June 2006, and that has not changed
27 ownership since December 19, 2005, shall not be disqualified as
28 a “dwelling” or be denied an exemption under this section solely
29 on the basis that the dwelling was temporarily damaged or
30 destroyed or was being reconstructed by the owner, or was
31 temporarily uninhabited as a result of restricted access to the
32 property due to floods, mudslides, the accumulation of debris, or
33 washed-out or damaged roads.

34 (j) Any dwelling that qualified for an exemption under this
35 section prior to July 9, 2006, that was damaged or destroyed by
36 the wildfires and any other related casualty that occurred in the
37 County of San Bernardino, as declared by the Governor in July
38 2006, and that has not changed ownership since July 9, 2006, shall
39 not be disqualified as a “dwelling” or be denied an exemption
40 under this section solely on the basis that the dwelling was

1 temporarily damaged or destroyed or was being reconstructed by
2 the owner, or was temporarily uninhabited as a result of restricted
3 access to the property due to the wildfires.

4 (k) Any dwelling that qualified for an exemption under this
5 section prior to January 11, 2007, that was damaged or destroyed
6 by severe freezing conditions, commencing January 11, 2007, and
7 any other related casualty that occurred in the Counties of El
8 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey,
9 Riverside, San Bernardino, San Diego, San Luis Obispo, Santa
10 Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a
11 result of a disaster as declared by the Governor, and that has not
12 changed ownership since January 11, 2007, shall not be disqualified
13 as a “dwelling” or be denied an exemption under this section solely
14 on the basis that the dwelling was temporarily damaged or
15 destroyed or was being reconstructed by the owner, or was
16 temporarily uninhabited as a result of restricted access to the
17 property due to severe freezing conditions.

18 (l) The exemption provided for in subdivision (k) of Section 3
19 of Article XIII of the Constitution shall first be applied to the
20 building, structure, or other shelter and the excess, if any, shall be
21 applied to any land on which it may be located.

22 *SEC. 4.5. Section 218 of the Revenue and Taxation Code is*
23 *amended to read:*

24 218. (a) The homeowners’ property tax exemption is in the
25 amount of the assessed value of the dwelling specified in this
26 section, as authorized by subdivision (k) of Section 3 of Article
27 XIII of the Constitution. That exemption shall be in the amount
28 of seven thousand dollars (\$7,000) of the full value of the dwelling.

29 (b) The exemption does not extend to property that is rented,
30 vacant, under construction on the lien date, or that is a vacation or
31 secondary home of the owner or owners, nor does it apply to
32 property on which an owner receives the veteran’s exemption.

33 (c) For purposes of this section, all of the following apply:

34 (1) “Owner” includes a person purchasing the dwelling under
35 a contract of sale or who holds shares or membership in a
36 cooperative housing corporation, which holding is a requisite to
37 the exclusive right of occupancy of a dwelling.

38 (2) (A) “Dwelling” means a building, structure, or other shelter
39 constituting a place of abode, whether real property or personal

1 property, and any land on which it may be situated. A two-dwelling
2 unit shall be considered as two separate single-family dwellings.

3 (B) “Dwelling” includes the following:

4 (i) A single-family dwelling occupied by an owner thereof as
5 his or her principal place of residence on the lien date.

6 (ii) A multiple-dwelling unit occupied by an owner thereof on
7 the lien date as his or her principal place of residence.

8 (iii) A condominium occupied by an owner thereof as his or her
9 principal place of residence on the lien date.

10 (iv) Premises occupied by the owner of shares or a membership
11 interest in a cooperative housing corporation, as defined in
12 subdivision (i) of Section 61, as his or her principal place of
13 residence on the lien date. Each exemption allowed pursuant to
14 this subdivision shall be deducted from the total assessed valuation
15 of the cooperative housing corporation. The exemption shall be
16 taken into account in apportioning property taxes among owners
17 of share or membership interests in the cooperative housing
18 corporations so as to benefit those owners who qualify for the
19 exemption.

20 (d) Any dwelling that qualified for an exemption under this
21 section prior to October 20, 1991, that was damaged or destroyed
22 by fire in a disaster, as declared by the Governor, occurring on or
23 after October 20, 1991, and before November 1, 1991, and that
24 has not changed ownership since October 20, 1991, shall not be
25 disqualified as a “dwelling” or be denied an exemption under this
26 section solely on the basis that the dwelling was temporarily
27 damaged or destroyed or was being reconstructed by the owner.

28 (e) Any dwelling that qualified for an exemption under this
29 section prior to October 15, 2003, that was damaged or destroyed
30 by fire or earthquake in a disaster, as declared by the Governor,
31 during October, November, or December 2003, and that has not
32 changed ownership since October 15, 2003, shall not be
33 disqualified as a “dwelling” or be denied an exemption under this
34 section solely on the basis that the dwelling was temporarily
35 damaged or destroyed or was being reconstructed by the owner.

36 (f) Any dwelling that qualified for an exemption under this
37 section prior to June 3, 2004, that was damaged or destroyed by
38 flood in a disaster, as declared by the Governor, during June 2004,
39 and that has not changed ownership since June 3, 2004, shall not
40 be disqualified as a “dwelling” or be denied an exemption under

1 this section solely on the basis that the dwelling was temporarily
2 damaged or destroyed or was being reconstructed by the owner.

3 (g) Any dwelling that qualified for an exemption under this
4 section prior to August 11, 2004, that was damaged or destroyed
5 by the wildfires and any other related casualty that occurred in
6 Shasta County in a disaster, as declared by the Governor, during
7 August 2004, and that has not changed ownership since August
8 11, 2004, shall not be disqualified as a “dwelling” or be denied an
9 exemption under this section solely on the basis that the dwelling
10 was temporarily damaged or destroyed or was being reconstructed
11 by the owner.

12 (h) Any dwelling that qualified for an exemption under this
13 section prior to December 28, 2004, that was damaged or destroyed
14 by severe rainstorms, floods, mudslides, or the accumulation of
15 debris in a disaster, as declared by the Governor, during December
16 2004, January 2005, February 2005, March 2005, or June 2005,
17 and that has not changed ownership since December 28, 2004,
18 shall not be disqualified as a “dwelling” or be denied an exemption
19 under this section solely on the basis that the dwelling was
20 temporarily damaged or destroyed or was being reconstructed by
21 the owner, or was temporarily uninhabited as a result of restricted
22 access to the property due to floods, mudslides, the accumulation
23 of debris, or washed-out or damaged roads.

24 (i) Any dwelling that qualified for an exemption under this
25 section prior to December 19, 2005, that was damaged or destroyed
26 by severe rainstorms, floods, mudslides, or the accumulation of
27 debris in a disaster, as declared by the Governor in January 2006,
28 April 2006, May 2006, or June 2006, and that has not changed
29 ownership since December 19, 2005, shall not be disqualified as
30 a “dwelling” or be denied an exemption under this section solely
31 on the basis that the dwelling was temporarily damaged or
32 destroyed or was being reconstructed by the owner, or was
33 temporarily uninhabited as a result of restricted access to the
34 property due to floods, mudslides, the accumulation of debris, or
35 washed-out or damaged roads.

36 (j) Any dwelling that qualified for an exemption under this
37 section prior to July 9, 2006, that was damaged or destroyed by
38 the wildfires and any other related casualty that occurred in the
39 County of San Bernardino, as declared by the Governor in July
40 2006, and that has not changed ownership since July 9, 2006, shall

1 not be disqualified as a “dwelling” or be denied an exemption
2 under this section solely on the basis that the dwelling was
3 temporarily damaged or destroyed or was being reconstructed by
4 the owner, or was temporarily uninhabited as a result of restricted
5 access to the property due to the wildfires.

6 *(k) Any dwelling that qualified for an exemption under this*
7 *section prior to the commencement dates listed in the Governor’s*
8 *proclamations of 2006 that was damaged or destroyed by the*
9 *wildfires and any other related casualty that occurred in the*
10 *Counties of Riverside and Ventura, and that has not changed*
11 *ownership since the commencement dates listed in the Governor’s*
12 *proclamations of 2006 shall not be disqualified as a “dwelling”*
13 *or be denied an exemption under this section solely on the basis*
14 *that the dwelling was temporarily damaged or destroyed or was*
15 *being reconstructed by the owner, or was temporarily uninhabited*
16 *as a result of restricted access to the property due to the wildfires.*

17 *(l) Any dwelling that qualified for an exemption under this*
18 *section prior to January 11, 2007, that was damaged or destroyed*
19 *by severe freezing conditions, commencing January 11, 2007, and*
20 *any other related casualty that occurred in the Counties of El*
21 *Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced,*
22 *Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo,*
23 *Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and*
24 *Yuba as a result of a disaster as declared by the Governor, and*
25 *that has not changed ownership since January 11, 2007, shall not*
26 *be disqualified as a “dwelling” or be denied an exemption under*
27 *this section solely on the basis that the dwelling was temporarily*
28 *damaged or destroyed or was being reconstructed by the owner,*
29 *or was temporarily uninhabited as a result of restricted access to*
30 *the property due to severe freezing conditions.*

31 *(m) Any dwelling that qualified for an exemption under this*
32 *section prior to June 24, 2007, that was damaged or destroyed by*
33 *the wildfires and any other related casualty that occurred in the*
34 *County of El Dorado, as declared by the Governor in June 2007,*
35 *and that has not changed ownership since June 24, 2007, shall*
36 *not be disqualified as a “dwelling” or be denied an exemption*
37 *under this section solely on the basis that the dwelling was*
38 *temporarily damaged or destroyed or was being reconstructed by*
39 *the owner, or was temporarily uninhabited as a result of restricted*
40 *access to the property due to the wildfires.*

1 ~~(k)~~

2 (n) The exemption provided for in subdivision (k) of Section 3
3 of Article XIII of the Constitution shall first be applied to the
4 building, structure, or other shelter and the excess, if any, shall be
5 applied to any land on which it may be located.

6 SEC. 4.7. *Section 218 of the Revenue and Taxation Code is*
7 *amended to read:*

8 218. (a) The homeowners' property tax exemption is in the
9 amount of the assessed value of the dwelling specified in this
10 section, as authorized by subdivision (k) of Section 3 of Article
11 XIII of the Constitution. That exemption shall be in the amount
12 of seven thousand dollars (\$7,000) of the full value of the dwelling.

13 (b) The exemption does not extend to property that is rented,
14 vacant, under construction on the lien date, or that is a vacation or
15 secondary home of the owner or owners, nor does it apply to
16 property on which an owner receives the veteran's exemption.

17 (c) For purposes of this section, all of the following apply:

18 (1) "Owner" includes a person purchasing the dwelling under
19 a contract of sale or who holds shares or membership in a
20 cooperative housing corporation, which holding is a requisite to
21 the exclusive right of occupancy of a dwelling.

22 (2) (A) "Dwelling" means a building, structure, or other shelter
23 constituting a place of abode, whether real property or personal
24 property, and any land on which it may be situated. A two-dwelling
25 unit shall be considered as two separate single-family dwellings.

26 (B) "Dwelling" includes the following:

27 (i) A single-family dwelling occupied by an owner thereof as
28 his or her principal place of residence on the lien date.

29 (ii) A multiple-dwelling unit occupied by an owner thereof on
30 the lien date as his or her principal place of residence.

31 (iii) A condominium occupied by an owner thereof as his or her
32 principal place of residence on the lien date.

33 (iv) Premises occupied by the owner of shares or a membership
34 interest in a cooperative housing corporation, as defined in
35 subdivision (i) of Section 61, as his or her principal place of
36 residence on the lien date. Each exemption allowed pursuant to
37 this subdivision shall be deducted from the total assessed valuation
38 of the cooperative housing corporation. The exemption shall be
39 taken into account in apportioning property taxes among owners
40 of share or membership interests in the cooperative housing

1 corporations so as to benefit those owners who qualify for the
2 exemption.

3 (d) Any dwelling that qualified for an exemption under this
4 section prior to October 20, 1991, that was damaged or destroyed
5 by fire in a disaster, as declared by the Governor, occurring on or
6 after October 20, 1991, and before November 1, 1991, and that
7 has not changed ownership since October 20, 1991, shall not be
8 disqualified as a “dwelling” or be denied an exemption under this
9 section solely on the basis that the dwelling was temporarily
10 damaged or destroyed or was being reconstructed by the owner.

11 (e) Any dwelling that qualified for an exemption under this
12 section prior to October 15, 2003, that was damaged or destroyed
13 by fire or earthquake in a disaster, as declared by the Governor,
14 during October, November, or December 2003, and that has not
15 changed ownership since October 15, 2003, shall not be
16 disqualified as a “dwelling” or be denied an exemption under this
17 section solely on the basis that the dwelling was temporarily
18 damaged or destroyed or was being reconstructed by the owner.

19 (f) Any dwelling that qualified for an exemption under this
20 section prior to June 3, 2004, that was damaged or destroyed by
21 flood in a disaster, as declared by the Governor, during June 2004,
22 and that has not changed ownership since June 3, 2004, shall not
23 be disqualified as a “dwelling” or be denied an exemption under
24 this section solely on the basis that the dwelling was temporarily
25 damaged or destroyed or was being reconstructed by the owner.

26 (g) Any dwelling that qualified for an exemption under this
27 section prior to August 11, 2004, that was damaged or destroyed
28 by the wildfires and any other related casualty that occurred in
29 Shasta County in a disaster, as declared by the Governor, during
30 August 2004, and that has not changed ownership since August
31 11, 2004, shall not be disqualified as a “dwelling” or be denied an
32 exemption under this section solely on the basis that the dwelling
33 was temporarily damaged or destroyed or was being reconstructed
34 by the owner.

35 (h) Any dwelling that qualified for an exemption under this
36 section prior to December 28, 2004, that was damaged or destroyed
37 by severe rainstorms, floods, mudslides, or the accumulation of
38 debris in a disaster, as declared by the Governor, during December
39 2004, January 2005, February 2005, March 2005, or June 2005,
40 and that has not changed ownership since December 28, 2004,

1 shall not be disqualified as a “dwelling” or be denied an exemption
2 under this section solely on the basis that the dwelling was
3 temporarily damaged or destroyed or was being reconstructed by
4 the owner, or was temporarily uninhabited as a result of restricted
5 access to the property due to floods, mudslides, the accumulation
6 of debris, or washed-out or damaged roads.

7 (i) Any dwelling that qualified for an exemption under this
8 section prior to December 19, 2005, that was damaged or destroyed
9 by severe rainstorms, floods, mudslides, or the accumulation of
10 debris in a disaster, as declared by the Governor in January 2006,
11 April 2006, May 2006, or June 2006, and that has not changed
12 ownership since December 19, 2005, shall not be disqualified as
13 a “dwelling” or be denied an exemption under this section solely
14 on the basis that the dwelling was temporarily damaged or
15 destroyed or was being reconstructed by the owner, or was
16 temporarily uninhabited as a result of restricted access to the
17 property due to floods, mudslides, the accumulation of debris, or
18 washed-out or damaged roads.

19 (j) Any dwelling that qualified for an exemption under this
20 section prior to July 9, 2006, that was damaged or destroyed by
21 the wildfires and any other related casualty that occurred in the
22 County of San Bernardino, as declared by the Governor in July
23 2006, and that has not changed ownership since July 9, 2006, shall
24 not be disqualified as a “dwelling” or be denied an exemption
25 under this section solely on the basis that the dwelling was
26 temporarily damaged or destroyed or was being reconstructed by
27 the owner, or was temporarily uninhabited as a result of restricted
28 access to the property due to the wildfires.

29 (k) *Any dwelling that qualified for an exemption under this*
30 *section prior to October 26, 2006, that was damaged or destroyed*
31 *by the wildfires and any other related casualty that occurred in*
32 *the County of Riverside, as declared by the Governor in October*
33 *2006, and that has not changed ownership since October 26, 2006,*
34 *shall not be disqualified as a “dwelling” or be denied an exemption*
35 *under this section solely on the basis that the dwelling was*
36 *temporarily damaged or destroyed or was being reconstructed by*
37 *the owner, or was temporarily uninhabited as a result of restricted*
38 *access to the property due to the wildfires.*

39 (l) *Any dwelling that qualified for an exemption under this*
40 *section prior to January 11, 2007, that was damaged or destroyed*

by severe freezing conditions, commencing January 11, 2007, and any other related casualty that occurred in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as a result of a disaster as declared by the Governor, and that has not changed ownership since January 11, 2007, shall not be disqualified as a “dwelling” or be denied an exemption under this section solely on the basis that the dwelling was temporarily damaged or destroyed or was being reconstructed by the owner, or was temporarily uninhabited as a result of restricted access to the property due to severe freezing.

~~(k)~~

(m) The exemption provided for in subdivision (k) of Section 3 of Article XIII of the Constitution shall first be applied to the building, structure, or other shelter and the excess, if any, shall be applied to any land on which it may be located.

SEC. 4.9. Section 218 of the Revenue and Taxation Code is amended to read:

218. (a) The homeowners’ property tax exemption is in the amount of the assessed value of the dwelling specified in this section, as authorized by subdivision (k) of Section 3 of Article XIII of the Constitution. That exemption shall be in the amount of seven thousand dollars (\$7,000) of the full value of the dwelling.

(b) The exemption does not extend to property that is rented, vacant, under construction on the lien date, or that is a vacation or secondary home of the owner or owners, nor does it apply to property on which an owner receives the veteran’s exemption.

(c) For purposes of this section, all of the following apply:

(1) “Owner” includes a person purchasing the dwelling under a contract of sale or who holds shares or membership in a cooperative housing corporation, which holding is a requisite to the exclusive right of occupancy of a dwelling.

(2) (A) “Dwelling” means a building, structure, or other shelter constituting a place of abode, whether real property or personal property, and any land on which it may be situated. A two-dwelling unit shall be considered as two separate single-family dwellings.

(B) “Dwelling” includes the following:

(i) A single-family dwelling occupied by an owner thereof as his or her principal place of residence on the lien date.

1 (ii) A multiple-dwelling unit occupied by an owner thereof on
2 the lien date as his or her principal place of residence.

3 (iii) A condominium occupied by an owner thereof as his or her
4 principal place of residence on the lien date.

5 (iv) Premises occupied by the owner of shares or a membership
6 interest in a cooperative housing corporation, as defined in
7 subdivision (i) of Section 61, as his or her principal place of
8 residence on the lien date. Each exemption allowed pursuant to
9 this subdivision shall be deducted from the total assessed valuation
10 of the cooperative housing corporation. The exemption shall be
11 taken into account in apportioning property taxes among owners
12 of share or membership interests in the cooperative housing
13 corporations so as to benefit those owners who qualify for the
14 exemption.

15 (d) Any dwelling that qualified for an exemption under this
16 section prior to October 20, 1991, that was damaged or destroyed
17 by fire in a disaster, as declared by the Governor, occurring on or
18 after October 20, 1991, and before November 1, 1991, and that
19 has not changed ownership since October 20, 1991, shall not be
20 disqualified as a “dwelling” or be denied an exemption under this
21 section solely on the basis that the dwelling was temporarily
22 damaged or destroyed or was being reconstructed by the owner.

23 (e) Any dwelling that qualified for an exemption under this
24 section prior to October 15, 2003, that was damaged or destroyed
25 by fire or earthquake in a disaster, as declared by the Governor,
26 during October, November, or December 2003, and that has not
27 changed ownership since October 15, 2003, shall not be
28 disqualified as a “dwelling” or be denied an exemption under this
29 section solely on the basis that the dwelling was temporarily
30 damaged or destroyed or was being reconstructed by the owner.

31 (f) Any dwelling that qualified for an exemption under this
32 section prior to June 3, 2004, that was damaged or destroyed by
33 flood in a disaster, as declared by the Governor, during June 2004,
34 and that has not changed ownership since June 3, 2004, shall not
35 be disqualified as a “dwelling” or be denied an exemption under
36 this section solely on the basis that the dwelling was temporarily
37 damaged or destroyed or was being reconstructed by the owner.

38 (g) Any dwelling that qualified for an exemption under this
39 section prior to August 11, 2004, that was damaged or destroyed
40 by the wildfires and any other related casualty that occurred in

1 Shasta County in a disaster, as declared by the Governor, during
2 August 2004, and that has not changed ownership since August
3 11, 2004, shall not be disqualified as a “dwelling” or be denied an
4 exemption under this section solely on the basis that the dwelling
5 was temporarily damaged or destroyed or was being reconstructed
6 by the owner.

7 (h) Any dwelling that qualified for an exemption under this
8 section prior to December 28, 2004, that was damaged or destroyed
9 by severe rainstorms, floods, mudslides, or the accumulation of
10 debris in a disaster, as declared by the Governor, during December
11 2004, January 2005, February 2005, March 2005, or June 2005,
12 and that has not changed ownership since December 28, 2004,
13 shall not be disqualified as a “dwelling” or be denied an exemption
14 under this section solely on the basis that the dwelling was
15 temporarily damaged or destroyed or was being reconstructed by
16 the owner, or was temporarily uninhabited as a result of restricted
17 access to the property due to floods, mudslides, the accumulation
18 of debris, or washed-out or damaged roads.

19 (i) Any dwelling that qualified for an exemption under this
20 section prior to December 19, 2005, that was damaged or destroyed
21 by severe rainstorms, floods, mudslides, or the accumulation of
22 debris in a disaster, as declared by the Governor in January 2006,
23 April 2006, May 2006, or June 2006, and that has not changed
24 ownership since December 19, 2005, shall not be disqualified as
25 a “dwelling” or be denied an exemption under this section solely
26 on the basis that the dwelling was temporarily damaged or
27 destroyed or was being reconstructed by the owner, or was
28 temporarily uninhabited as a result of restricted access to the
29 property due to floods, mudslides, the accumulation of debris, or
30 washed-out or damaged roads.

31 (j) Any dwelling that qualified for an exemption under this
32 section prior to July 9, 2006, that was damaged or destroyed by
33 the wildfires and any other related casualty that occurred in the
34 County of San Bernardino, as declared by the Governor in July
35 2006, and that has not changed ownership since July 9, 2006, shall
36 not be disqualified as a “dwelling” or be denied an exemption
37 under this section solely on the basis that the dwelling was
38 temporarily damaged or destroyed or was being reconstructed by
39 the owner, or was temporarily uninhabited as a result of restricted
40 access to the property due to the wildfires.

1 (k) Any dwelling that qualified for an exemption under this
2 section prior to the commencement dates listed in the Governor's
3 proclamations of 2006 that was damaged or destroyed by the
4 wildfires and any other related casualty that occurred in the County
5 of Ventura, and that has not changed ownership since the
6 commencement dates listed in the Governor's proclamations of
7 2006 shall not be disqualified as a "dwelling" or be denied an
8 exemption under this section solely on the basis that the dwelling
9 was temporarily damaged or destroyed or was being reconstructed
10 by the owner, or was temporarily uninhabited as a result of
11 restricted access to the property due to the wildfires.

12 (l) Any dwelling that qualified for an exemption under this
13 section prior to January 11, 2007, that was damaged or destroyed
14 by severe freezing conditions, commencing January 11, 2007, and
15 any other related casualty that occurred in the Counties of El
16 Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced,
17 Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo,
18 Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and
19 Yuba as a result of a disaster as declared by the Governor, and
20 that has not changed ownership since January 11, 2007, shall not
21 be disqualified as a "dwelling" or be denied an exemption under
22 this section solely on the basis that the dwelling was temporarily
23 damaged or destroyed or was being reconstructed by the owner,
24 or was temporarily uninhabited as a result of restricted access to
25 the property due to severe freezing conditions.

26 (m) Any dwelling that qualified for an exemption under this
27 section prior to June 24, 2007, that was damaged or destroyed by
28 the wildfires and any other related casualty that occurred in the
29 County of El Dorado, as declared by the Governor in June 2007,
30 and that has not changed ownership since June 24, 2007, shall
31 not be disqualified as a "dwelling" or be denied an exemption
32 under this section solely on the basis that the dwelling was
33 temporarily damaged or destroyed or was being reconstructed by
34 the owner, or was temporarily uninhabited as a result of restricted
35 access to the property due to the wildfires.

36 ~~(k)~~

37 (n) The exemption provided for in subdivision (k) of Section 3
38 of Article XIII of the Constitution shall first be applied to the
39 building, structure, or other shelter and the excess, if any, shall be
40 applied to any land on which it may be located.

1 SEC. 5. Section 17207 of the Revenue and Taxation Code is
2 amended to read:

3 17207. (a) An excess disaster loss, as defined in subdivision
4 (c), shall be carried to other taxable years as provided in
5 subdivision (b), with respect to losses resulting from any of the
6 following disasters:

7 (1) Forest fire or any other related casualty occurring in 1985
8 in California.

9 (2) Storm, flooding, or any other related casualty occurring in
10 1986 in California.

11 (3) Any loss sustained during 1987 as a result of a forest fire or
12 any other related casualty.

13 (4) Earthquake, aftershock, or any other related casualty
14 occurring in 1987 in California.

15 (5) Earthquake, aftershock, or any other related casualty
16 occurring in 1989 in California.

17 (6) Any loss sustained during 1990 as a result of fire or any
18 other related casualty in California.

19 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
20 of 1991, or any other related casualty.

21 (8) Any loss sustained as a result of storm, flooding, or any
22 other related casualty occurring in February 1992 in California.

23 (9) Earthquake, aftershock, or any other related casualty
24 occurring in April 1992 in the County of Humboldt.

25 (10) Riots, arson, or any other related casualty occurring in
26 April or May 1992 in California.

27 (11) Any loss sustained as a result of the earthquakes that
28 occurred in the County of San Bernardino in June and July of 1992,
29 or any other related casualty.

30 (12) Any loss sustained as a result of the Fountain Fire that
31 occurred in the County of Shasta, or as a result of either of the
32 fires in the Counties of Calaveras and Trinity that occurred in
33 August 1992, or any other related casualty.

34 (13) Any loss sustained as a result of storm, flooding, or any
35 other related casualty that occurred in the Counties of Alpine,
36 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
37 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
38 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
39 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
40 Fillmore in January 1993.

1 (14) Any loss sustained as a result of a fire that occurred in the
2 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
3 Diego, and Ventura, during October or November of 1993, or any
4 other related casualty.

5 (15) Any loss sustained as a result of the earthquake, aftershocks,
6 or any other related casualty that occurred in the Counties of Los
7 Angeles, Orange, and Ventura on or after January 17, 1994.

8 (16) Any loss sustained as a result of a fire that occurred in the
9 County of San Luis Obispo during August of 1994, or any other
10 related casualty.

11 (17) Any loss sustained as a result of the storms or flooding
12 occurring in 1995, or any other related casualty, sustained in any
13 county of this state subject to a disaster declaration with respect
14 to the storms and flooding.

15 (18) Any loss sustained as a result of the storms or flooding
16 occurring in December 1996 or January 1997, or any related
17 casualty, sustained in any county of this state subject to a disaster
18 declaration with respect to the storms or flooding.

19 (19) Any loss sustained as a result of the storms or flooding
20 occurring in February 1998, or any related casualty, sustained in
21 any county of this state subject to a disaster declaration with respect
22 to the storms or flooding.

23 (20) Any loss sustained as a result of a freeze occurring in the
24 winter of 1998–99, or any related casualty, sustained in any county
25 of this state subject to a disaster declaration with respect to the
26 freeze.

27 (21) Any loss sustained as a result of an earthquake occurring
28 in September 2000, that was included in the Governor's
29 proclamation of a state of emergency for the County of Napa.

30 (22) Any loss sustained as a result of the Middle River levee
31 break in San Joaquin County occurring in June 2004.

32 (23) Any losses sustained as a result of the fires that occurred
33 in the Counties of Los Angeles, Riverside, San Bernardino, San
34 Diego, and Ventura in October and November 2003, or as a result
35 of floods, mudflows, and debris flows, directly related to fires.

36 (24) Any losses sustained in the Counties of Santa Barbara and
37 San Luis Obispo as a result of the San Simeon earthquake,
38 aftershocks, and any other related casualties.

(25) Any losses sustained as a result of the wildfires that occurred in Shasta County, commencing August 11, 2004, and any other related casualty.

(26) Any loss sustained in the Counties of Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura as a result of the severe rainstorms, related flooding and slides, and any other related casualties, that occurred in December 2004, January 2005, February 2005, March 2005, or June 2005.

(27) Any loss sustained in the Counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of the severe rainstorms, related flooding and slides, and any other related casualties, that occurred in December 2005, January 2006, March 2006, or April 2006.

(28) Any loss sustained in the County of San Bernardino as a result of the wildfires that occurred in July 2006.

(29) Any loss sustained in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject of the Governor's proclamations of a state of emergency for the severe freezing conditions that occurred in January 2007.

(b) (1) In the case of any loss allowed under Section 165(c) of the Internal Revenue Code, relating to limitation of losses of individuals, any excess disaster loss shall be carried forward to each of the five taxable years following the taxable year for which the loss is claimed. However, if there is any excess disaster loss remaining after the five-year period, then the applicable percentage, as set forth in paragraph (1) of subdivision (b) of Section 17276, of that excess disaster loss shall be carried forward to each of the next 10 taxable years.

(2) The entire amount of any excess disaster loss as defined in subdivision (c) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried.

The portion of the loss which shall be carried to each of the other

1 taxable years shall be the excess, if any, of the amount of excess
2 disaster loss over the sum of the adjusted taxable income for each
3 of the prior taxable years to which that excess disaster loss is
4 carried.

5 (c) “Excess disaster loss” means a disaster loss computed
6 pursuant to Section 165 of the Internal Revenue Code which
7 exceeds the adjusted taxable income of the year of loss or, if the
8 election under Section 165(i) of the Internal Revenue Code is
9 made, the adjusted taxable income of the year preceding the loss.

10 (d) The provisions of this section and Section 165(i) of the
11 Internal Revenue Code shall be applicable to any of the losses
12 listed in subdivision (a) sustained in any county or city in this state
13 which was proclaimed by the Governor to be in a state of disaster.

14 (e) Losses allowable under this section may not be taken into
15 account in computing a net operating loss deduction under Section
16 172 of the Internal Revenue Code.

17 (f) For purposes of this section, “adjusted taxable income” shall
18 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

19 (g) For losses described in paragraphs (15) to (29), inclusive,
20 of subdivision (a), the election under Section 165(i) of the Internal
21 Revenue Code may be made on a return or amended return filed
22 on or before the due date of the return (determined with regard to
23 extension) for the taxable year in which the disaster occurred.

24 *SEC. 5.5. Section 17207 of the Revenue and Taxation Code is*
25 *amended to read:*

26 17207. (a) An excess disaster loss, as defined in subdivision
27 (c), shall be carried to other taxable years as provided in
28 subdivision (b), with respect to losses resulting from any of the
29 following disasters:

30 (1) Forest fire or any other related casualty occurring in 1985
31 in California.

32 (2) Storm, flooding, or any other related casualty occurring in
33 1986 in California.

34 (3) Any loss sustained during 1987 as a result of a forest fire or
35 any other related casualty.

36 (4) Earthquake, aftershock, or any other related casualty
37 occurring in 1987 in California.

38 (5) Earthquake, aftershock, or any other related casualty
39 occurring in 1989 in California.

1 (6) Any loss sustained during 1990 as a result of fire or any
2 other related casualty in California.

3 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
4 of 1991, or any other related casualty.

5 (8) Any loss sustained as a result of storm, flooding, or any
6 other related casualty occurring in February 1992 in California.

7 (9) Earthquake, aftershock, or any other related casualty
8 occurring in April 1992 in the County of Humboldt.

9 (10) Riots, arson, or any other related casualty occurring in
10 April or May 1992 in California.

11 (11) Any loss sustained as a result of the earthquakes that
12 occurred in the County of San Bernardino in June and July of 1992,
13 or any other related casualty.

14 (12) Any loss sustained as a result of the Fountain Fire that
15 occurred in the County of Shasta, or as a result of either of the
16 fires in the Counties of Calaveras and Trinity that occurred in
17 August 1992, or any other related casualty.

18 (13) Any loss sustained as a result of storm, flooding, or any
19 other related casualty that occurred in the Counties of Alpine,
20 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
21 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
22 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
23 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
24 Fillmore in January 1993.

25 (14) Any loss sustained as a result of a fire that occurred in the
26 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
27 Diego, and Ventura, during October or November of 1993, or any
28 other related casualty.

29 (15) Any loss sustained as a result of the earthquake, aftershocks,
30 or any other related casualty that occurred in the Counties of Los
31 Angeles, Orange, and Ventura on or after January 17, 1994.

32 (16) Any loss sustained as a result of a fire that occurred in the
33 County of San Luis Obispo during August of 1994, or any other
34 related casualty.

35 (17) Any loss sustained as a result of the storms or flooding
36 occurring in 1995, or any other related casualty, sustained in any
37 county of this state subject to a disaster declaration with respect
38 to the storms and flooding.

39 (18) Any loss sustained as a result of the storms or flooding
40 occurring in December 1996 or January 1997, or any related

1 casualty, sustained in any county of this state subject to a disaster
2 declaration with respect to the storms or flooding.

3 (19) Any loss sustained as a result of the storms or flooding
4 occurring in February 1998, or any related casualty, sustained in
5 any county of this state subject to a disaster declaration with respect
6 to the storms or flooding.

7 (20) Any loss sustained as a result of a freeze occurring in the
8 winter of 1998–99, or any related casualty, sustained in any county
9 of this state subject to a disaster declaration with respect to the
10 freeze.

11 (21) Any loss sustained as a result of an earthquake occurring
12 in September 2000, that was included in the Governor's
13 proclamation of a state of emergency for the County of Napa.

14 (22) Any loss sustained as a result of the Middle River levee
15 break in San Joaquin County occurring in June 2004.

16 (23) Any losses sustained as a result of the fires that occurred
17 in the Counties of Los Angeles, *Riverside*, San Bernardino,
18 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
19 or as a result of floods, mudflows, and debris flows, directly related
20 to fires.

21 (24) Any losses sustained in the Counties of Santa Barbara and
22 San Luis Obispo as a result of the San Simeon earthquake,
23 aftershocks, and any other related casualties.

24 (25) Any losses sustained as a result of the wildfires that
25 occurred in Shasta County, commencing August 11, 2004, and
26 any other related casualty.

27 (26) Any loss sustained in the Counties of Kern, Los Angeles,
28 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
29 and Ventura as a result of the severe rainstorms, related flooding
30 and slides, and any other related casualties, that occurred in
31 December 2004, January 2005, February 2005, March 2005, or
32 June 2005.

33 (27) Any loss sustained in the Counties of Alameda, Alpine,
34 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
35 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
36 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
37 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
38 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
39 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
40 the severe rainstorms, related flooding and slides, and any other

1 related casualties, that occurred in December 2005, January 2006,
2 March 2006, or April 2006.

3 (28) Any loss sustained in the County of San Bernardino as a
4 result of the wildfires that occurred in July 2006.

5 (29) *Any loss sustained in the Counties of Riverside and Ventura*
6 *as a result of wildfires that occurred during the 2006 calendar*
7 *year.*

8 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
9 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
10 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
11 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*
12 *of the Governor's proclamations of a state of emergency for the*
13 *severe freezing conditions that occurred in January 2007.*

14 (31) *Any loss sustained in the County of El Dorado as a result*
15 *of the wildfires that occurred in June 2007.*

16 (b) (1) In the case of any loss allowed under Section 165(c) of
17 the Internal Revenue Code, relating to limitation of losses of
18 individuals, any excess disaster loss shall be carried forward to
19 each of the five taxable years following the taxable year for which
20 the loss is claimed. However, if there is any excess disaster loss
21 remaining after the five-year period, then the applicable percentage,
22 as set forth in paragraph (1) of subdivision (b) of Section 17276,
23 of that excess disaster loss shall be carried forward to each of the
24 next 10 taxable years.

25 (2) The entire amount of any excess disaster loss as defined in
26 subdivision (c) shall be carried to the earliest of the taxable years
27 to which, by reason of subdivision (b), the loss may be carried.
28 The portion of the loss which shall be carried to each of the other
29 taxable years shall be the excess, if any, of the amount of excess
30 disaster loss over the sum of the adjusted taxable income for each
31 of the prior taxable years to which that excess disaster loss is
32 carried.

33 (c) "Excess disaster loss" means a disaster loss computed
34 pursuant to Section 165 of the Internal Revenue Code which
35 exceeds the adjusted taxable income of the year of loss or, if the
36 election under Section 165(i) of the Internal Revenue Code is
37 made, the adjusted taxable income of the year preceding the loss.

38 (d) The provisions of this section and Section 165(i) of the
39 Internal Revenue Code shall be applicable to any of the losses

1 listed in subdivision (a) sustained in any county or city in this state
2 which was proclaimed by the Governor to be in a state of disaster.

3 (e) Losses allowable under this section may not be taken into
4 account in computing a net operating loss deduction under Section
5 172 of the Internal Revenue Code.

6 (f) For purposes of this section, “adjusted taxable income” shall
7 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

8 (g) For losses described in paragraphs (15) to ~~(28)~~ (31),
9 inclusive, of subdivision (a), the election under Section 165(i) of
10 the Internal Revenue Code may be made on a return or amended
11 return filed on or before the due date of the return (determined
12 with regard to extension) for the taxable year in which the disaster
13 occurred.

14 *SEC. 5.7. Section 17207 of the Revenue and Taxation Code is*
15 *amended to read:*

16 17207. (a) An excess disaster loss, as defined in subdivision
17 (c), shall be carried to other taxable years as provided in
18 subdivision (b), with respect to losses resulting from any of the
19 following disasters:

20 (1) Forest fire or any other related casualty occurring in 1985
21 in California.

22 (2) Storm, flooding, or any other related casualty occurring in
23 1986 in California.

24 (3) Any loss sustained during 1987 as a result of a forest fire or
25 any other related casualty.

26 (4) Earthquake, aftershock, or any other related casualty
27 occurring in 1987 in California.

28 (5) Earthquake, aftershock, or any other related casualty
29 occurring in 1989 in California.

30 (6) Any loss sustained during 1990 as a result of fire or any
31 other related casualty in California.

32 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
33 of 1991, or any other related casualty.

34 (8) Any loss sustained as a result of storm, flooding, or any
35 other related casualty occurring in February 1992 in California.

36 (9) Earthquake, aftershock, or any other related casualty
37 occurring in April 1992 in the County of Humboldt.

38 (10) Riots, arson, or any other related casualty occurring in
39 April or May 1992 in California.

1 (11) Any loss sustained as a result of the earthquakes that
2 occurred in the County of San Bernardino in June and July of 1992,
3 or any other related casualty.

4 (12) Any loss sustained as a result of the Fountain Fire that
5 occurred in the County of Shasta, or as a result of either of the
6 fires in the Counties of Calaveras and Trinity that occurred in
7 August 1992, or any other related casualty.

8 (13) Any loss sustained as a result of storm, flooding, or any
9 other related casualty that occurred in the Counties of Alpine,
10 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
11 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
12 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
13 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
14 Fillmore in January 1993.

15 (14) Any loss sustained as a result of a fire that occurred in the
16 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
17 Diego, and Ventura, during October or November of 1993, or any
18 other related casualty.

19 (15) Any loss sustained as a result of the earthquake, aftershocks,
20 or any other related casualty that occurred in the Counties of Los
21 Angeles, Orange, and Ventura on or after January 17, 1994.

22 (16) Any loss sustained as a result of a fire that occurred in the
23 County of San Luis Obispo during August of 1994, or any other
24 related casualty.

25 (17) Any loss sustained as a result of the storms or flooding
26 occurring in 1995, or any other related casualty, sustained in any
27 county of this state subject to a disaster declaration with respect
28 to the storms and flooding.

29 (18) Any loss sustained as a result of the storms or flooding
30 occurring in December 1996 or January 1997, or any related
31 casualty, sustained in any county of this state subject to a disaster
32 declaration with respect to the storms or flooding.

33 (19) Any loss sustained as a result of the storms or flooding
34 occurring in February 1998, or any related casualty, sustained in
35 any county of this state subject to a disaster declaration with respect
36 to the storms or flooding.

37 (20) Any loss sustained as a result of a freeze occurring in the
38 winter of 1998–99, or any related casualty, sustained in any county
39 of this state subject to a disaster declaration with respect to the
40 freeze.

1 (21) Any loss sustained as a result of an earthquake occurring
2 in September 2000, that was included in the Governor's
3 proclamation of a state of emergency for the County of Napa.

4 (22) Any loss sustained as a result of the Middle River levee
5 break in San Joaquin County occurring in June 2004.

6 (23) Any losses sustained as a result of the fires that occurred
7 in the Counties of Los Angeles, *Riverside*, San Bernardino,
8 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
9 or as a result of floods, mudflows, and debris flows, directly related
10 to fires.

11 (24) Any losses sustained in the Counties of Santa Barbara and
12 San Luis Obispo as a result of the San Simeon earthquake,
13 aftershocks, and any other related casualties.

14 (25) Any losses sustained as a result of the wildfires that
15 occurred in Shasta County, commencing August 11, 2004, and
16 any other related casualty.

17 (26) Any loss sustained in the Counties of Kern, Los Angeles,
18 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
19 and Ventura as a result of the severe rainstorms, related flooding
20 and slides, and any other related casualties, that occurred in
21 December 2004, January 2005, February 2005, March 2005, or
22 June 2005.

23 (27) Any loss sustained in the Counties of Alameda, Alpine,
24 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
25 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
26 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
27 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
28 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
29 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
30 the severe rainstorms, related flooding and slides, and any other
31 related casualties, that occurred in December 2005, January 2006,
32 March 2006, or April 2006.

33 (28) Any loss sustained in the County of San Bernardino as a
34 result of the wildfires that occurred in July 2006.

35 (29) *Any loss sustained in the County of Riverside as a result*
36 *of wildfires that occurred in October 2006.*

37 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
38 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
39 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
40 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*

1 *of the Governor's proclamations of a state of emergency for the*
2 *severe freezing conditions that occurred in January 2007.*

3 (b) (1) In the case of any loss allowed under Section 165(c) of
4 the Internal Revenue Code, relating to limitation of losses of
5 individuals, any excess disaster loss shall be carried forward to
6 each of the five taxable years following the taxable year for which
7 the loss is claimed. However, if there is any excess disaster loss
8 remaining after the five-year period, then the applicable percentage,
9 as set forth in paragraph (1) of subdivision (b) of Section 17276,
10 of that excess disaster loss shall be carried forward to each of the
11 next 10 taxable years.

12 (2) The entire amount of any excess disaster loss as defined in
13 subdivision (c) shall be carried to the earliest of the taxable years
14 to which, by reason of subdivision (b), the loss may be carried.
15 The portion of the loss which shall be carried to each of the other
16 taxable years shall be the excess, if any, of the amount of excess
17 disaster loss over the sum of the adjusted taxable income for each
18 of the prior taxable years to which that excess disaster loss is
19 carried.

20 (c) "Excess disaster loss" means a disaster loss computed
21 pursuant to Section 165 of the Internal Revenue Code which
22 exceeds the adjusted taxable income of the year of loss or, if the
23 election under Section 165(i) of the Internal Revenue Code is
24 made, the adjusted taxable income of the year preceding the loss.

25 (d) The provisions of this section and Section 165(i) of the
26 Internal Revenue Code shall be applicable to any of the losses
27 listed in subdivision (a) sustained in any county or city in this state
28 which was proclaimed by the Governor to be in a state of disaster.

29 (e) Losses allowable under this section may not be taken into
30 account in computing a net operating loss deduction under Section
31 172 of the Internal Revenue Code.

32 (f) For purposes of this section, "adjusted taxable income" shall
33 be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

34 (g) For losses described in paragraphs (15) to ~~(28)~~ (31),
35 inclusive, of subdivision (a), the election under Section 165(i) of
36 the Internal Revenue Code may be made on a return or amended
37 return filed on or before the due date of the return (determined
38 with regard to extension) for the taxable year in which the disaster
39 occurred.

1 *SEC. 5.9. Section 17207 of the Revenue and Taxation Code is*
2 *amended to read:*

3 17207. (a) An excess disaster loss, as defined in subdivision
4 (c), shall be carried to other taxable years as provided in
5 subdivision (b), with respect to losses resulting from any of the
6 following disasters:

7 (1) Forest fire or any other related casualty occurring in 1985
8 in California.

9 (2) Storm, flooding, or any other related casualty occurring in
10 1986 in California.

11 (3) Any loss sustained during 1987 as a result of a forest fire or
12 any other related casualty.

13 (4) Earthquake, aftershock, or any other related casualty
14 occurring in 1987 in California.

15 (5) Earthquake, aftershock, or any other related casualty
16 occurring in 1989 in California.

17 (6) Any loss sustained during 1990 as a result of fire or any
18 other related casualty in California.

19 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
20 of 1991, or any other related casualty.

21 (8) Any loss sustained as a result of storm, flooding, or any
22 other related casualty occurring in February 1992 in California.

23 (9) Earthquake, aftershock, or any other related casualty
24 occurring in April 1992 in the County of Humboldt.

25 (10) Riots, arson, or any other related casualty occurring in
26 April or May 1992 in California.

27 (11) Any loss sustained as a result of the earthquakes that
28 occurred in the County of San Bernardino in June and July of 1992,
29 or any other related casualty.

30 (12) Any loss sustained as a result of the Fountain Fire that
31 occurred in the County of Shasta, or as a result of either of the
32 fires in the Counties of Calaveras and Trinity that occurred in
33 August 1992, or any other related casualty.

34 (13) Any loss sustained as a result of storm, flooding, or any
35 other related casualty that occurred in the Counties of Alpine,
36 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
37 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
38 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
39 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
40 Fillmore in January 1993.

1 (14) Any loss sustained as a result of a fire that occurred in the
2 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
3 Diego, and Ventura, during October or November of 1993, or any
4 other related casualty.

5 (15) Any loss sustained as a result of the earthquake, aftershocks,
6 or any other related casualty that occurred in the Counties of Los
7 Angeles, Orange, and Ventura on or after January 17, 1994.

8 (16) Any loss sustained as a result of a fire that occurred in the
9 County of San Luis Obispo during August of 1994, or any other
10 related casualty.

11 (17) Any loss sustained as a result of the storms or flooding
12 occurring in 1995, or any other related casualty, sustained in any
13 county of this state subject to a disaster declaration with respect
14 to the storms and flooding.

15 (18) Any loss sustained as a result of the storms or flooding
16 occurring in December 1996 or January 1997, or any related
17 casualty, sustained in any county of this state subject to a disaster
18 declaration with respect to the storms or flooding.

19 (19) Any loss sustained as a result of the storms or flooding
20 occurring in February 1998, or any related casualty, sustained in
21 any county of this state subject to a disaster declaration with respect
22 to the storms or flooding.

23 (20) Any loss sustained as a result of a freeze occurring in the
24 winter of 1998–99, or any related casualty, sustained in any county
25 of this state subject to a disaster declaration with respect to the
26 freeze.

27 (21) Any loss sustained as a result of an earthquake occurring
28 in September 2000, that was included in the Governor's
29 proclamation of a state of emergency for the County of Napa.

30 (22) Any loss sustained as a result of the Middle River levee
31 break in San Joaquin County occurring in June 2004.

32 (23) Any losses sustained as a result of the fires that occurred
33 in the Counties of Los Angeles, *Riverside*, San Bernardino,
34 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
35 or as a result of floods, mudflows, and debris flows, directly related
36 to fires.

37 (24) Any losses sustained in the Counties of Santa Barbara and
38 San Luis Obispo as a result of the San Simeon earthquake,
39 aftershocks, and any other related casualties.

1 (25) Any losses sustained as a result of the wildfires that
2 occurred in Shasta County, commencing August 11, 2004, and
3 any other related casualty.

4 (26) Any loss sustained in the Counties of Kern, Los Angeles,
5 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
6 and Ventura as a result of the severe rainstorms, related flooding
7 and slides, and any other related casualties, that occurred in
8 December 2004, January 2005, February 2005, March 2005, or
9 June 2005.

10 (27) Any loss sustained in the Counties of Alameda, Alpine,
11 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
12 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
13 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
14 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
15 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
16 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
17 the severe rainstorms, related flooding and slides, and any other
18 related casualties, that occurred in December 2005, January 2006,
19 March 2006, or April 2006.

20 (28) Any loss sustained in the County of San Bernardino as a
21 result of the wildfires that occurred in July 2006.

22 (29) *Any loss sustained in the County of Ventura as a result of*
23 *the wildfires that occurred during the 2006 calendar year.*

24 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
25 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
26 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
27 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*
28 *of the Governor's proclamations of a state of emergency for the*
29 *severe freezing conditions that occurred in January 2007.*

30 (31) *Any loss sustained in the County of El Dorado as a result*
31 *of the wildfires that occurred in June 2007.*

32 (b) (1) In the case of any loss allowed under Section 165(c) of
33 the Internal Revenue Code, relating to limitation of losses of
34 individuals, any excess disaster loss shall be carried forward to
35 each of the five taxable years following the taxable year for which
36 the loss is claimed. However, if there is any excess disaster loss
37 remaining after the five-year period, then the applicable percentage,
38 as set forth in paragraph (1) of subdivision (b) of Section 17276,
39 of that excess disaster loss shall be carried forward to each of the
40 next 10 taxable years.

(2) The entire amount of any excess disaster loss as defined in subdivision (c) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried. The portion of the loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of excess disaster loss over the sum of the adjusted taxable income for each of the prior taxable years to which that excess disaster loss is carried.

(c) “Excess disaster loss” means a disaster loss computed pursuant to Section 165 of the Internal Revenue Code which exceeds the adjusted taxable income of the year of loss or, if the election under Section 165(i) of the Internal Revenue Code is made, the adjusted taxable income of the year preceding the loss.

(d) The provisions of this section and Section 165(i) of the Internal Revenue Code shall be applicable to any of the losses listed in subdivision (a) sustained in any county or city in this state which was proclaimed by the Governor to be in a state of disaster.

(e) Losses allowable under this section may not be taken into account in computing a net operating loss deduction under Section 172 of the Internal Revenue Code.

(f) For purposes of this section, “adjusted taxable income” shall be defined by Section 1212(b)(2)(B) of the Internal Revenue Code.

(g) For losses described in paragraphs (15) to ~~(28)~~ (31), inclusive, of subdivision (a), the election under Section 165(i) of the Internal Revenue Code may be made on a return or amended return filed on or before the due date of the return (determined with regard to extension) for the taxable year in which the disaster occurred.

SEC. 6. Section 24347.5 of the Revenue and Taxation Code is amended to read:

24347.5. (a) An excess disaster loss, as defined in subdivision (c), shall be carried to other taxable years as provided in subdivision (b), with respect to losses resulting from any of the following disasters:

(1) Forest fire or any other related casualty occurring in 1985 in California.

(2) Storm, flooding, or any other related casualty occurring in 1986 in California.

(3) Any loss sustained during 1987 as a result of a forest fire or any other related casualty.

- 1 (4) Earthquake, aftershock, or any other related casualty
2 occurring in October 1987 in California.
- 3 (5) Earthquake, aftershock, or any other related casualty
4 occurring in October 1989 in California.
- 5 (6) Any loss sustained during 1990 as a result of fire or any
6 other related casualty in California.
- 7 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
8 of 1991, or any other related casualty.
- 9 (8) Any loss sustained as a result of storm, flooding, or any
10 other related casualty occurring in February 1992 in California.
- 11 (9) Earthquake, aftershock, or any other related casualty
12 occurring in April 1992 in the County of Humboldt.
- 13 (10) Riots, arson, or any other related casualty occurring in
14 April or May 1992 in California.
- 15 (11) Any loss sustained as a result of the earthquakes or any
16 other related casualty that occurred in the County of San
17 Bernardino in June and July of 1992.
- 18 (12) Any loss sustained as a result of the Fountain Fire that
19 occurred in the County of Shasta, or as a result of either of the
20 fires in the Counties of Calaveras and Trinity that occurred in
21 August 1992, or any other related casualty.
- 22 (13) Any loss sustained as a result of storm, flooding, or any
23 other related casualty that occurred in the Counties of Alpine,
24 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
25 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
26 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
27 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
28 Fillmore in January 1993.
- 29 (14) Any loss sustained as a result of a fire that occurred in the
30 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
31 Diego, and Ventura, during October or November of 1993, or any
32 other related casualty.
- 33 (15) Any loss sustained as a result of the earthquake, aftershocks,
34 or any other related casualty that occurred in the Counties of Los
35 Angeles, Orange, and Ventura on or after January 17, 1994.
- 36 (16) Any loss sustained as a result of a fire that occurred in the
37 County of San Luis Obispo during August of 1994, or any other
38 related casualty.
- 39 (17) Any loss sustained as a result of the storms or flooding
40 occurring in 1995, or any other related casualty, sustained in any

1 county of this state subject to a disaster declaration with respect
2 to the storms and flooding.

3 (18) Any loss sustained as a result of the storms or flooding
4 occurring in December 1996 or January 1997, or any related
5 casualty, sustained in any county of this state subject to a disaster
6 declaration with respect to the storms or flooding.

7 (19) Any loss sustained as a result of the storms or flooding
8 occurring in February 1998, or any related casualty, sustained in
9 any county of this state subject to a disaster declaration with respect
10 to the storms or flooding.

11 (20) Any loss sustained as a result of a freeze occurring in the
12 winter of 1998–99, or any related casualty, sustained in any county
13 of this state subject to a disaster declaration with respect to the
14 freeze.

15 (21) Any loss sustained as a result of an earthquake occurring
16 in September 2000, that was included in the Governor's
17 proclamation of a state of emergency for the County of Napa.

18 (22) Any loss sustained as a result of the Middle River levee
19 break in San Joaquin County occurring in June 2004.

20 (23) Any losses sustained as a result of the fires that occurred
21 in the Counties of Los Angeles, Riverside, San Bernardino, San
22 Diego, and Ventura in October and November 2003, or as a result
23 of floods, mudflows, and debris flows, directly related to fires.

24 (24) Any losses sustained in the Counties of Santa Barbara and
25 San Luis Obispo as a result of the San Simeon earthquake,
26 aftershocks, and any other related casualties.

27 (25) Any losses sustained as a result of the wildfires that
28 occurred in Shasta County, commencing August 11, 2004, and
29 any other related casualty.

30 (26) Any loss sustained in the Counties of Kern, Los Angeles,
31 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
32 and Ventura as a result of the severe rainstorms, related flooding
33 and slides, and any other related casualties, that occurred in
34 December 2004, January 2005, February 2005, March 2005, or
35 June 2005.

36 (27) Any loss sustained in the Counties of Alameda, Alpine,
37 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
38 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
39 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
40 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,

1 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
2 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
3 the severe rainstorms, related flooding and slides, and any other
4 related casualties, that occurred in December 2005, January 2006,
5 March 2006, or April 2006.

6 (28) Any loss sustained in the County of San Bernardino as a
7 result of the wildfires that occurred in July 2006.

8 (29) Any loss sustained in the Counties of El Dorado, Fresno,
9 Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San
10 Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa
11 Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject
12 of the Governor's proclamations of a state of emergency for the
13 severe freezing conditions that occurred in January 2007.

14 (b) (1) In the case of any loss allowed under Section 165 of the
15 Internal Revenue Code, relating to losses, any excess disaster loss
16 shall be carried forward to each of the five taxable years following
17 the taxable year for which the loss is claimed. However, if there
18 is any excess disaster loss remaining after the five-year period,
19 then the applicable percentage, as set forth in paragraph (1) of
20 subdivision (b) of Section 24416, of that excess disaster loss shall
21 be carried forward to each of the next 10 taxable years.

22 (2) The entire amount of any excess disaster loss as defined in
23 subdivision (c) shall be carried to the earliest of the taxable years
24 to which, by reason of subdivision (b), the loss may be carried.
25 The portion of the loss which shall be carried to each of the other
26 taxable years shall be the excess, if any, of the amount of excess
27 disaster loss over the sum of the net income for each of the prior
28 taxable years to which that excess disaster loss is carried.

29 (c) "Excess disaster loss" means a disaster loss computed
30 pursuant to Section 165 of the Internal Revenue Code, which
31 exceeds the net income of the year of loss or, if the election under
32 Section 165(i) of the Internal Revenue Code is made, the net
33 income of the year preceding the loss.

34 (d) The provisions of this section and Section 165(i) of the
35 Internal Revenue Code shall be applicable to any of the losses
36 listed in subdivision (a) sustained in any county or city in this state
37 which was proclaimed by the Governor to be in a state of disaster.

38 (e) Any corporation subject to the provisions of Section 25101
39 or 25101.15 that has disaster losses pursuant to this section shall
40 determine the excess disaster loss to be carried to other taxable

1 years under the principles specified in Section 25108 relating to
2 net operating losses.

3 (f) Losses allowable under this section may not be taken into
4 account in computing a net operating loss deduction under Section
5 172 of the Internal Revenue Code.

6 (g) For losses described in paragraphs (15) to (29), inclusive,
7 of subdivision (a), the election under Section 165(i) of the Internal
8 Revenue Code may be made on a return or amended return filed
9 on or before the due date of the return (determined with regard to
10 extension) for the taxable year in which the disaster occurred.

11 *SEC. 6.5. Section 24347.5 of the Revenue and Taxation Code*
12 *is amended to read:*

13 24347.5. (a) An excess disaster loss, as defined in subdivision
14 (c), shall be carried to other taxable years as provided in
15 subdivision (b), with respect to losses resulting from any of the
16 following disasters:

17 (1) Forest fire or any other related casualty occurring in 1985
18 in California.

19 (2) Storm, flooding, or any other related casualty occurring in
20 1986 in California.

21 (3) Any loss sustained during 1987 as a result of a forest fire or
22 any other related casualty.

23 (4) Earthquake, aftershock, or any other related casualty
24 occurring in October 1987 in California.

25 (5) Earthquake, aftershock, or any other related casualty
26 occurring in October 1989 in California.

27 (6) Any loss sustained during 1990 as a result of fire or any
28 other related casualty in California.

29 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
30 of 1991, or any other related casualty.

31 (8) Any loss sustained as a result of storm, flooding, or any
32 other related casualty occurring in February 1992 in California.

33 (9) Earthquake, aftershock, or any other related casualty
34 occurring in April 1992 in the County of Humboldt.

35 (10) Riots, arson, or any other related casualty occurring in
36 April or May 1992 in California.

37 (11) Any loss sustained as a result of the earthquakes or any
38 other related casualty that occurred in the County of San
39 Bernardino in June and July of 1992.

1 (12) Any loss sustained as a result of the Fountain Fire that
2 occurred in the County of Shasta, or as a result of either of the
3 fires in the Counties of Calaveras and Trinity that occurred in
4 August 1992, or any other related casualty.

5 (13) Any loss sustained as a result of storm, flooding, or any
6 other related casualty that occurred in the Counties of Alpine,
7 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
8 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
9 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
10 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
11 Fillmore in January 1993.

12 (14) Any loss sustained as a result of a fire that occurred in the
13 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
14 Diego, and Ventura, during October or November of 1993, or any
15 other related casualty.

16 (15) Any loss sustained as a result of the earthquake, aftershocks,
17 or any other related casualty that occurred in the Counties of Los
18 Angeles, Orange, and Ventura on or after January 17, 1994.

19 (16) Any loss sustained as a result of a fire that occurred in the
20 County of San Luis Obispo during August of 1994, or any other
21 related casualty.

22 (17) Any loss sustained as a result of the storms or flooding
23 occurring in 1995, or any other related casualty, sustained in any
24 county of this state subject to a disaster declaration with respect
25 to the storms and flooding.

26 (18) Any loss sustained as a result of the storms or flooding
27 occurring in December 1996 or January 1997, or any related
28 casualty, sustained in any county of this state subject to a disaster
29 declaration with respect to the storms or flooding.

30 (19) Any loss sustained as a result of the storms or flooding
31 occurring in February 1998, or any related casualty, sustained in
32 any county of this state subject to a disaster declaration with respect
33 to the storms or flooding.

34 (20) Any loss sustained as a result of a freeze occurring in the
35 winter of 1998–99, or any related casualty, sustained in any county
36 of this state subject to a disaster declaration with respect to the
37 freeze.

38 (21) Any loss sustained as a result of an earthquake occurring
39 in September 2000, that was included in the Governor's
40 proclamation of a state of emergency for the County of Napa.

1 (22) Any loss sustained as a result of the Middle River levee
2 break in San Joaquin County occurring in June 2004.

3 (23) Any losses sustained as a result of the fires that occurred
4 in the Counties of Los Angeles, *Riverside*, San Bernardino,
5 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
6 or as a result of floods, mudflows, and debris flows, directly related
7 to fires.

8 (24) Any losses sustained in the Counties of Santa Barbara and
9 San Luis Obispo as a result of the San Simeon earthquake,
10 aftershocks, and any other related casualties.

11 (25) Any losses sustained as a result of the wildfires that
12 occurred in Shasta County, commencing August 11, 2004, and
13 any other related casualty.

14 (26) Any loss sustained in the Counties of Kern, Los Angeles,
15 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
16 and Ventura as a result of the severe rainstorms, related flooding
17 and slides, and any other related casualties, that occurred in
18 December 2004, January 2005, February 2005, March 2005, or
19 June 2005.

20 (27) Any loss sustained in the Counties of Alameda, Alpine,
21 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
22 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
23 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,
24 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
25 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
26 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
27 the severe rainstorms, related flooding and slides, and any other
28 related casualties, that occurred in December 2005, January 2006,
29 March 2006, or April 2006.

30 (28) Any loss sustained in the County of San Bernardino as a
31 result of the wildfires that occurred in July 2006.

32 (29) *Any loss sustained in the Counties of Riverside and Ventura*
33 *as a result of wildfires that occurred during the 2006 calendar*
34 *year.*

35 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
36 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
37 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
38 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*
39 *of the Governor's proclamations of a state of emergency for the*
40 *severe freezing conditions that occurred in January 2007.*

1 (31) *Any loss sustained in the County of El Dorado as a result*
2 *of the wildfires that occurred in June 2007.*

3 (b) (1) In the case of any loss allowed under Section 165 of the
4 Internal Revenue Code, relating to losses, any excess disaster loss
5 shall be carried forward to each of the five taxable years following
6 the taxable year for which the loss is claimed. However, if there
7 is any excess disaster loss remaining after the five-year period,
8 then the applicable percentage, as set forth in paragraph (1) of
9 subdivision (b) of Section 24416, of that excess disaster loss shall
10 be carried forward to each of the next 10 taxable years.

11 (2) The entire amount of any excess disaster loss as defined in
12 subdivision (c) shall be carried to the earliest of the taxable years
13 to which, by reason of subdivision (b), the loss may be carried.
14 The portion of the loss which shall be carried to each of the other
15 taxable years shall be the excess, if any, of the amount of excess
16 disaster loss over the sum of the net income for each of the prior
17 taxable years to which that excess disaster loss is carried.

18 (c) “Excess disaster loss” means a disaster loss computed
19 pursuant to Section 165 of the Internal Revenue Code, which
20 exceeds the net income of the year of loss or, if the election under
21 Section 165(i) of the Internal Revenue Code is made, the net
22 income of the year preceding the loss.

23 (d) The provisions of this section and Section 165(i) of the
24 Internal Revenue Code shall be applicable to any of the losses
25 listed in subdivision (a) sustained in any county or city in this state
26 which was proclaimed by the Governor to be in a state of disaster.

27 (e) Any corporation subject to the provisions of Section 25101
28 or 25101.15 that has disaster losses pursuant to this section, shall
29 determine the excess disaster loss to be carried to other taxable
30 years under the principles specified in Section 25108 relating to
31 net operating losses.

32 (f) Losses allowable under this section may not be taken into
33 account in computing a net operating loss deduction under Section
34 172 of the Internal Revenue Code.

35 (g) For losses described in paragraphs (15) to ~~(28)~~ (31),
36 inclusive, of subdivision (a), the election under Section 165(i) of
37 the Internal Revenue Code may be made on a return or amended
38 return filed on or before the due date of the return (determined
39 with regard to extension) for the taxable year in which the disaster
40 occurred.

1 *SEC. 6.7. Section 24347.5 of the Revenue and Taxation Code*
2 *is amended to read:*

3 24347.5. (a) An excess disaster loss, as defined in subdivision
4 (c), shall be carried to other taxable years as provided in
5 subdivision (b), with respect to losses resulting from any of the
6 following disasters:

7 (1) Forest fire or any other related casualty occurring in 1985
8 in California.

9 (2) Storm, flooding, or any other related casualty occurring in
10 1986 in California.

11 (3) Any loss sustained during 1987 as a result of a forest fire or
12 any other related casualty.

13 (4) Earthquake, aftershock, or any other related casualty
14 occurring in October 1987 in California.

15 (5) Earthquake, aftershock, or any other related casualty
16 occurring in October 1989 in California.

17 (6) Any loss sustained during 1990 as a result of fire or any
18 other related casualty in California.

19 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
20 of 1991, or any other related casualty.

21 (8) Any loss sustained as a result of storm, flooding, or any
22 other related casualty occurring in February 1992 in California.

23 (9) Earthquake, aftershock, or any other related casualty
24 occurring in April 1992 in the County of Humboldt.

25 (10) Riots, arson, or any other related casualty occurring in
26 April or May 1992 in California.

27 (11) Any loss sustained as a result of the earthquakes or any
28 other related casualty that occurred in the County of San
29 Bernardino in June and July of 1992.

30 (12) Any loss sustained as a result of the Fountain Fire that
31 occurred in the County of Shasta, or as a result of either of the
32 fires in the Counties of Calaveras and Trinity that occurred in
33 August 1992, or any other related casualty.

34 (13) Any loss sustained as a result of storm, flooding, or any
35 other related casualty that occurred in the Counties of Alpine,
36 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
37 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
38 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
39 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
40 Fillmore in January 1993.

1 (14) Any loss sustained as a result of a fire that occurred in the
2 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
3 Diego, and Ventura, during October or November of 1993, or any
4 other related casualty.

5 (15) Any loss sustained as a result of the earthquake, aftershocks,
6 or any other related casualty that occurred in the Counties of Los
7 Angeles, Orange, and Ventura on or after January 17, 1994.

8 (16) Any loss sustained as a result of a fire that occurred in the
9 County of San Luis Obispo during August of 1994, or any other
10 related casualty.

11 (17) Any loss sustained as a result of the storms or flooding
12 occurring in 1995, or any other related casualty, sustained in any
13 county of this state subject to a disaster declaration with respect
14 to the storms and flooding.

15 (18) Any loss sustained as a result of the storms or flooding
16 occurring in December 1996 or January 1997, or any related
17 casualty, sustained in any county of this state subject to a disaster
18 declaration with respect to the storms or flooding.

19 (19) Any loss sustained as a result of the storms or flooding
20 occurring in February 1998, or any related casualty, sustained in
21 any county of this state subject to a disaster declaration with respect
22 to the storms or flooding.

23 (20) Any loss sustained as a result of a freeze occurring in the
24 winter of 1998–99, or any related casualty, sustained in any county
25 of this state subject to a disaster declaration with respect to the
26 freeze.

27 (21) Any loss sustained as a result of an earthquake occurring
28 in September 2000, that was included in the Governor's
29 proclamation of a state of emergency for the County of Napa.

30 (22) Any loss sustained as a result of the Middle River levee
31 break in San Joaquin County occurring in June 2004.

32 (23) Any losses sustained as a result of the fires that occurred
33 in the Counties of Los Angeles, *Riverside*, San Bernardino,
34 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
35 or as a result of floods, mudflows, and debris flows, directly related
36 to fires.

37 (24) Any losses sustained in the Counties of Santa Barbara and
38 San Luis Obispo as a result of the San Simeon earthquake,
39 aftershocks, and any other related casualties.

(25) Any losses sustained as a result of the wildfires that occurred in Shasta County, commencing August 11, 2004, and any other related casualty.

(26) Any loss sustained in the Counties of Kern, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura as a result of the severe rainstorms, related flooding and slides, and any other related casualties, that occurred in December 2004, January 2005, February 2005, March 2005, or June 2005.

(27) Any loss sustained in the Counties of Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin, Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo, Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus, Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of the severe rainstorms, related flooding and slides, and any other related casualties, that occurred in December 2005, January 2006, March 2006, or April 2006.

(28) Any loss sustained in the County of San Bernardino as a result of the wildfires that occurred in July 2006.

(29) *Any loss sustained in the County of Riverside as a result of wildfires that occurred in October 2006.*

(30) *Any loss sustained in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject of the Governor's proclamations of a state of emergency for the severe freezing conditions that occurred in January 2007.*

(b) (1) In the case of any loss allowed under Section 165 of the Internal Revenue Code, relating to losses, any excess disaster loss shall be carried forward to each of the five taxable years following the taxable year for which the loss is claimed. However, if there is any excess disaster loss remaining after the five-year period, then the applicable percentage, as set forth in paragraph (1) of subdivision (b) of Section 24416, of that excess disaster loss shall be carried forward to each of the next 10 taxable years.

(2) The entire amount of any excess disaster loss as defined in subdivision (c) shall be carried to the earliest of the taxable years to which, by reason of subdivision (b), the loss may be carried.

1 The portion of the loss which shall be carried to each of the other
2 taxable years shall be the excess, if any, of the amount of excess
3 disaster loss over the sum of the net income for each of the prior
4 taxable years to which that excess disaster loss is carried.

5 (c) “Excess disaster loss” means a disaster loss computed
6 pursuant to Section 165 of the Internal Revenue Code, which
7 exceeds the net income of the year of loss or, if the election under
8 Section 165(i) of the Internal Revenue Code is made, the net
9 income of the year preceding the loss.

10 (d) The provisions of this section and Section 165(i) of the
11 Internal Revenue Code shall be applicable to any of the losses
12 listed in subdivision (a) sustained in any county or city in this state
13 which was proclaimed by the Governor to be in a state of disaster.

14 (e) Any corporation subject to the provisions of Section 25101
15 or 25101.15 that has disaster losses pursuant to this section, shall
16 determine the excess disaster loss to be carried to other taxable
17 years under the principles specified in Section 25108 relating to
18 net operating losses.

19 (f) Losses allowable under this section may not be taken into
20 account in computing a net operating loss deduction under Section
21 172 of the Internal Revenue Code.

22 (g) For losses described in paragraphs (15) to ~~(28)~~ (30),
23 inclusive, of subdivision (a), the election under Section 165(i) of
24 the Internal Revenue Code may be made on a return or amended
25 return filed on or before the due date of the return (determined
26 with regard to extension) for the taxable year in which the disaster
27 occurred.

28 *SEC. 6.9. Section 24347.5 of the Revenue and Taxation Code*
29 *is amended to read:*

30 24347.5. (a) An excess disaster loss, as defined in subdivision
31 (c), shall be carried to other taxable years as provided in
32 subdivision (b), with respect to losses resulting from any of the
33 following disasters:

34 (1) Forest fire or any other related casualty occurring in 1985
35 in California.

36 (2) Storm, flooding, or any other related casualty occurring in
37 1986 in California.

38 (3) Any loss sustained during 1987 as a result of a forest fire or
39 any other related casualty.

1 (4) Earthquake, aftershock, or any other related casualty
2 occurring in October 1987 in California.

3 (5) Earthquake, aftershock, or any other related casualty
4 occurring in October 1989 in California.

5 (6) Any loss sustained during 1990 as a result of fire or any
6 other related casualty in California.

7 (7) Any loss sustained as a result of the Oakland/Berkeley Fire
8 of 1991, or any other related casualty.

9 (8) Any loss sustained as a result of storm, flooding, or any
10 other related casualty occurring in February 1992 in California.

11 (9) Earthquake, aftershock, or any other related casualty
12 occurring in April 1992 in the County of Humboldt.

13 (10) Riots, arson, or any other related casualty occurring in
14 April or May 1992 in California.

15 (11) Any loss sustained as a result of the earthquakes or any
16 other related casualty that occurred in the County of San
17 Bernardino in June and July of 1992.

18 (12) Any loss sustained as a result of the Fountain Fire that
19 occurred in the County of Shasta, or as a result of either of the
20 fires in the Counties of Calaveras and Trinity that occurred in
21 August 1992, or any other related casualty.

22 (13) Any loss sustained as a result of storm, flooding, or any
23 other related casualty that occurred in the Counties of Alpine,
24 Contra Costa, Fresno, Humboldt, Imperial, Lassen, Los Angeles,
25 Madera, Mendocino, Modoc, Monterey, Napa, Orange, Plumas,
26 Riverside, San Bernardino, San Diego, Santa Barbara, Sierra,
27 Siskiyou, Sonoma, Tehama, Trinity, and Tulare, and the City of
28 Fillmore in January 1993.

29 (14) Any loss sustained as a result of a fire that occurred in the
30 Counties of Los Angeles, Orange, Riverside, San Bernardino, San
31 Diego, and Ventura, during October or November of 1993, or any
32 other related casualty.

33 (15) Any loss sustained as a result of the earthquake, aftershocks,
34 or any other related casualty that occurred in the Counties of Los
35 Angeles, Orange, and Ventura on or after January 17, 1994.

36 (16) Any loss sustained as a result of a fire that occurred in the
37 County of San Luis Obispo during August of 1994, or any other
38 related casualty.

39 (17) Any loss sustained as a result of the storms or flooding
40 occurring in 1995, or any other related casualty, sustained in any

1 county of this state subject to a disaster declaration with respect
2 to the storms and flooding.

3 (18) Any loss sustained as a result of the storms or flooding
4 occurring in December 1996 or January 1997, or any related
5 casualty, sustained in any county of this state subject to a disaster
6 declaration with respect to the storms or flooding.

7 (19) Any loss sustained as a result of the storms or flooding
8 occurring in February 1998, or any related casualty, sustained in
9 any county of this state subject to a disaster declaration with respect
10 to the storms or flooding.

11 (20) Any loss sustained as a result of a freeze occurring in the
12 winter of 1998–99, or any related casualty, sustained in any county
13 of this state subject to a disaster declaration with respect to the
14 freeze.

15 (21) Any loss sustained as a result of an earthquake occurring
16 in September 2000, that was included in the Governor's
17 proclamation of a state of emergency for the County of Napa.

18 (22) Any loss sustained as a result of the Middle River levee
19 break in San Joaquin County occurring in June 2004.

20 (23) Any losses sustained as a result of the fires that occurred
21 in the Counties of Los Angeles, *Riverside*, San Bernardino,
22 ~~Riverside~~, San Diego, and Ventura in October and November 2003,
23 or as a result of floods, mudflows, and debris flows, directly related
24 to fires.

25 (24) Any losses sustained in the Counties of Santa Barbara and
26 San Luis Obispo as a result of the San Simeon earthquake,
27 aftershocks, and any other related casualties.

28 (25) Any losses sustained as a result of the wildfires that
29 occurred in Shasta County, commencing August 11, 2004, and
30 any other related casualty.

31 (26) Any loss sustained in the Counties of Kern, Los Angeles,
32 Orange, Riverside, San Bernardino, San Diego, Santa Barbara,
33 and Ventura as a result of the severe rainstorms, related flooding
34 and slides, and any other related casualties, that occurred in
35 December 2004, January 2005, February 2005, March 2005, or
36 June 2005.

37 (27) Any loss sustained in the Counties of Alameda, Alpine,
38 Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El
39 Dorado, Fresno, Humboldt, Kings, Lake, Lassen, Madera, Marin,
40 Mariposa, Mendocino, Merced, Monterey, Napa, Nevada, Placer,

1 Plumas, Sacramento, San Joaquin, San Luis Obispo, San Mateo,
2 Santa Cruz, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus,
3 Sutter, Trinity, Tulare, Tuolumne, Yolo, and Yuba as a result of
4 the severe rainstorms, related flooding and slides, and any other
5 related casualties, that occurred in December 2005, January 2006,
6 March 2006, or April 2006.

7 (28) Any loss sustained in the County of San Bernardino as a
8 result of the wildfires that occurred in July 2006.

9 (29) *Any loss sustained in the County of Ventura as a result of*
10 *the wildfires that occurred during the 2006 calendar year.*

11 (30) *Any loss sustained in the Counties of El Dorado, Fresno,*
12 *Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San*
13 *Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa*
14 *Clara, Stanislaus, Tulare, Ventura, and Yuba that were the subject*
15 *of the Governor's proclamations of a state of emergency for the*
16 *severe freezing conditions that occurred in January 2007.*

17 (31) *Any loss sustained in the County of El Dorado as a result*
18 *of the wildfires that occurred in June 2007.*

19 (b) (1) In the case of any loss allowed under Section 165 of the
20 Internal Revenue Code, relating to losses, any excess disaster loss
21 shall be carried forward to each of the five taxable years following
22 the taxable year for which the loss is claimed. However, if there
23 is any excess disaster loss remaining after the five-year period,
24 then the applicable percentage, as set forth in paragraph (1) of
25 subdivision (b) of Section 24416, of that excess disaster loss shall
26 be carried forward to each of the next 10 taxable years.

27 (2) The entire amount of any excess disaster loss as defined in
28 subdivision (c) shall be carried to the earliest of the taxable years
29 to which, by reason of subdivision (b), the loss may be carried.
30 The portion of the loss which shall be carried to each of the other
31 taxable years shall be the excess, if any, of the amount of excess
32 disaster loss over the sum of the net income for each of the prior
33 taxable years to which that excess disaster loss is carried.

34 (c) "Excess disaster loss" means a disaster loss computed
35 pursuant to Section 165 of the Internal Revenue Code, which
36 exceeds the net income of the year of loss or, if the election under
37 Section 165(i) of the Internal Revenue Code is made, the net
38 income of the year preceding the loss.

39 (d) The provisions of this section and Section 165(i) of the
40 Internal Revenue Code shall be applicable to any of the losses

1 listed in subdivision (a) sustained in any county or city in this state
2 which was proclaimed by the Governor to be in a state of disaster.

3 (e) Any corporation subject to the provisions of Section 25101
4 or 25101.15 that has disaster losses pursuant to this section, shall
5 determine the excess disaster loss to be carried to other taxable
6 years under the principles specified in Section 25108 relating to
7 net operating losses.

8 (f) Losses allowable under this section may not be taken into
9 account in computing a net operating loss deduction under Section
10 172 of the Internal Revenue Code.

11 (g) For losses described in paragraphs (15) to ~~(28)~~ (31),
12 inclusive, of subdivision (a), the election under Section 165(i) of
13 the Internal Revenue Code may be made on a return or amended
14 return filed on or before the due date of the return (determined
15 with regard to extension) for the taxable year in which the disaster
16 occurred.

17 SEC. 7. It is the intent of the Legislature to provide in the
18 annual Budget Act those additional reimbursements to local
19 governments that, as a result of Section 4 of this act, are required
20 by Section 25 of Article XIII of the California Constitution.

21 SEC. 8. The Legislature finds and declares that this act fulfills
22 a statewide public purpose because of all of the following:

23 (a) The Governor of California has officially proclaimed a state
24 of emergency declaring that the severe freezing conditions,
25 commencing January 11, 2007, that occurred within the Counties
26 of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced,
27 Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo,
28 Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba
29 constitute conditions of extreme peril to public health and safety
30 to persons and property within that county, thus qualifying affected
31 persons for various forms of governmental assistance and relief.

32 (b) This act is consistent with, and supplements, the proclaimed
33 disaster assistance and relief by providing necessary fiscal
34 assistance and tax relief to affected jurisdictions and persons to
35 allow them to maintain essential basic services and repair damage
36 to, and restore, their homes and businesses.

37 SEC. 9. If the Commission on State Mandates determines
38 that this act contains costs mandated by the state, reimbursement
39 to local agencies and school districts for those costs shall be made

1 pursuant to Part 7 (commencing with Section 17500) of Division
2 4 of Title 2 of the Government Code.

3 *SEC. 10. (a) (1) Section 4.5 of this bill incorporates*
4 *amendments to Section 218 of the Revenue and Taxation Code*
5 *proposed by this bill, SB 38, and AB 62. It shall only become*
6 *operative if (1) all three bills are enacted and become effective on*
7 *or before January 1, 2008, (2) all three bills amend Section 218*
8 *of the Revenue and Taxation Code, and (3) this bill is enacted after*
9 *SB 38 and AB 62, in which case Section 218 of the Revenue and*
10 *Taxation Code, as amended by SB 38 and AB 62, shall remain*
11 *operative only until the operative date of this bill, at which time*
12 *Section 4.5 of this bill shall become operative, and Section 4 of*
13 *this bill shall not become operative.*

14 *(2) Section 4.7 of this bill incorporates amendments to Section*
15 *218 of the Revenue and Taxation Code proposed by this bill and*
16 *SB 38. It shall only become operative if (1) both bills are enacted*
17 *and become effective on or before January 1, 2008, (2) each bill*
18 *amends Section 218 of the Revenue and Taxation Code, (3) AB 62*
19 *is not enacted, or if enacted, does not Amend Section 218 of the*
20 *Revenue and Taxation Code, and (4) this bill is enacted after SB*
21 *38, in which case Section 218 of the Revenue and Taxation Code,*
22 *as amended by SB 38, shall remain operative only until the*
23 *operative date of this bill, at which time Section 4.7 of this bill*
24 *shall become operative, and Section 4 of this bill shall not become*
25 *operative.*

26 *(3) Section 4.9 of this bill incorporates amendments to Section*
27 *218 of the Revenue and Taxation Code proposed by this bill and*
28 *AB 62. It shall only become operative if (1) both bills are enacted*
29 *and become effective on or before January 1, 2008, (2) each bill*
30 *amends Section 218 of the Revenue and Taxation Code, (3) SB 38*
31 *is not enacted, or if enacted, does not amend Section 218 of the*
32 *Revenue and Taxation Code, and (4) this bill is enacted after AB*
33 *62, in which case Section 218 of the Revenue and Taxation Code,*
34 *as amended by AB 62, shall remain operative only until the*
35 *operative date of this bill, at which time Section 4.9 of this bill*
36 *shall become operative, and Section 4 of this bill shall not become*
37 *operative.*

38 *(b) (1) Section 5.5 of this bill incorporates amendments to*
39 *Section 17207 of the Revenue and Taxation Code proposed by this*
40 *bill, SB 38, and AB 62. It shall only become operative if (1) all*

1 *three bills are enacted and become effective on or before January*
2 *1, 2008, (2) all three bills amend Section 17207 of the Revenue*
3 *and Taxation Code, and (3) this bill is enacted after SB 38 and*
4 *AB 62, in which case Section 17207 of the Revenue and Taxation*
5 *Code, as amended by SB 38 and AB 62, shall remain operative*
6 *only until the operative date of this bill, at which time Section 5.5*
7 *of this bill shall become operative, and Section 5 of this bill shall*
8 *not become operative.*

9 *(2) Section 5.7 of this bill incorporates amendments to Section*
10 *17207 of the Revenue and Taxation Code proposed by this bill and*
11 *SB 38. It shall only become operative if (1) both bills are enacted*
12 *and become effective on or before January 1, 2008, (2) each bill*
13 *amends Section 17207 of the Revenue and Taxation Code, (3) AB*
14 *62 is not enacted, or if enacted, does not amend Section 17207 of*
15 *the Revenue and Taxation Code, and (4) this bill is enacted after*
16 *SB 38, in which case Section 17207 of the Revenue and Taxation*
17 *Code, as amended by SB 38, shall remain operative only until the*
18 *operative date of this bill, at which time Section 5.7 of this bill*
19 *shall become operative, and Section 5 of this bill shall not become*
20 *operative.*

21 *(3) Section 5.9 of this bill incorporates amendments to Section*
22 *17207 of the Revenue and Taxation Code proposed by this bill and*
23 *AB 62. It shall only become operative if (1) both bills are enacted*
24 *and become effective on or before January 1, 2008, (2) each bill*
25 *amends Section 17207 of the Revenue and Taxation Code, (3) SB*
26 *38 is not enacted, or if enacted, does not amend Section 17207 of*
27 *the Revenue and Taxation Code, and (4) this bill is enacted after*
28 *AB 62, in which case Section 17207 of the Revenue and Taxation*
29 *Code, as amended by AB 62, shall remain operative only until the*
30 *operative date of this bill, at which time Section 5.9 of this bill*
31 *shall become operative, and Section 5 of this bill shall not become*
32 *operative.*

33 *(c) (1) Section 6.5 of this bill incorporates amendments to*
34 *Section 24347.5 of the Revenue and Taxation Code proposed by*
35 *this bill, SB 38, and AB 62. It shall only become operative if (1)*
36 *all three bills are enacted and become effective on or before*
37 *January 1, 2008, (2) all three bills amend Section 24347.5 of the*
38 *Revenue and Taxation Code, and (3) this bill is enacted after SB*
39 *38 and AB 62, in which case Section 24347.5 of the Revenue and*
40 *Taxation Code, as amended by SB 38 and AB 62, shall remain*

operative only until the operative date of this bill, at which time Section 6.5 of this bill shall become operative, and Section 6 of this bill shall not become operative.

(2) Section 6.7 of this bill incorporates amendments to Section 24347.5 of the Revenue and Taxation Code proposed by this bill and SB 38. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2008, (2) each bill amends Section 24347.5 of the Revenue and Taxation Code, (3) AB 62 is not enacted, or if enacted, does not amend Section 24347.5 of the Revenue and Taxation Code, and (4) this bill is enacted after SB 38, in which case Section 24347.5 of the Revenue and Taxation Code, as amended by SB 38, shall remain operative only until the operative date of this bill, at which time Section 6.7 of this bill shall become operative, and Section 6 of this bill shall not become operative.

(3) Section 6.9 of this bill incorporates amendments to Section 24347.5 of the Revenue and Taxation Code proposed by this bill and AB 62. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2008, (2) each bill amends Section 24347.5 of the Revenue and Taxation Code, (3) SB 38 is not enacted, or if enacted, does not amend Section 24347.5 of the Revenue and Taxation Code, and (4) this bill is enacted after AB 62, in which case Section 24347.5 of the Revenue and Taxation Code, as amended by AB 62, shall remain operative only until the operative date of this bill, at which time Section 6.9 of this bill shall become operative, and Section 6 of this bill shall not become operative.

~~SEC. 10.~~

SEC. 11. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to timely provide essential relief to those persons and jurisdictions who have suffered damage or loss as a result of the severe freezing conditions, commencing January 11, 2007, that occurred in the Counties of El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba as declared by the Governor

- 1 to be in a state of emergency, it is necessary that this act take effect
- 2 immediately.