

Assembly Bill No. 2564

Passed the Assembly August 16, 2010

Chief Clerk of the Assembly

Passed the Senate August 9, 2010

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2010, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 13305 of the Government Code, relating to state finance.

LEGISLATIVE COUNSEL’S DIGEST

AB 2564, Swanson. State Budget: tax expenditures.

Existing law requires the Department of Finance to provide an annual report to the Legislature on tax expenditures, as specified, no later than September 15 of each year.

This bill would require the Department of Finance to provide the report described above on February 1 of each year.

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

SECTION 1. Section 13305 of the Government Code is amended to read:

13305. (a) The department shall provide an annual report to the Legislature on tax expenditures by no later than February 1 of each year. The report shall include each of the following:

- (1) A comprehensive list of tax expenditures exceeding five million dollars (\$5,000,000) in annual cost.
- (2) The statutory authority for each credit, deduction, exclusion, exemption, or any other tax benefit as provided by state law.
- (3) A description of the legislative intent for each tax expenditure, if the act adding or amending the expenditure contains legislative findings and declarations of that intent, or that legislative intent is otherwise expressed or specified by that act.
- (4) The sunset date of each credit, deduction, exclusion, exemption, or any other tax benefit as provided by state law, if applicable.
- (5) A brief description of the beneficiaries of the credit, deduction, exclusion, exemption, or other tax benefit as provided by state law.
- (6) An estimate or range of estimates for the state and local revenue loss for the current fiscal year and the two subsequent fiscal years. For sales and use tax expenditures, this would include

partial year exemptions and all other tax expenditures when the State Board of Equalization has obtained that information.

(7) For personal income tax expenditures, the number of taxpayers affected and returns filed, as applicable, for the most recent tax year for which full year data is available.

(8) For corporation tax and sales and use tax expenditures, the number of returns filed or business entities affected, as applicable, for the most recent tax year for which full year data is available.

(9) A listing of any comparable federal tax benefit, if any.

(10) A description of any tax expenditure evaluation or compilation of information completed by any state agency since the last report made under this section.

(b) For purposes of this section, “tax expenditure” means a credit, deduction, exclusion, exemption, or any other tax benefit as provided for by the state.

Approved _____, 2010

Governor