

AMENDED IN SENATE MAY 3, 2010

CALIFORNIA LEGISLATURE—2009–10 SIXTH EXTRAORDINARY SESSION

SENATE BILL

No. 7

Introduced by Senators Denham, Dutton, and Wyland

February 24, 2010

An act to add Sections 17053.82 and 23623.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL’S DIGEST

SB 7, as amended, Denham. Income taxes: hiring credit: veterans.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws, including a credit for an increase in qualified employees of a qualified employer.

This bill would, under both laws, for taxable years beginning on and after January 1, 2010, allow a credit to a qualified taxpayer, as defined, in an amount equal to 25% of the wages, not to exceed \$6,000, paid to each qualified veteran, as defined, by the qualified taxpayer during the taxable year.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

- 1 SECTION 1. Section 17053.82 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17053.82. (a) For each taxable year beginning on or after
- 4 January 1, 2010, there shall be allowed a credit in the amount
- 5 specified in subdivision (b) against the “net tax,” as defined by

1 Section 17039, to a qualified taxpayer who employs a qualified
2 veteran during the taxable year.

3 (b) The credit amount shall be 25 percent of the wages, not to
4 exceed six thousand dollars (\$6,000), paid to each qualified veteran
5 by the qualified taxpayer during the taxable year.

6 ~~(c) For purposes of this section, “qualified taxpayer” means a~~
7 ~~taxpayer that has a business located in California or does business~~
8 ~~primarily in California or with Californians.~~

9 ~~(d) For purposes of this section, “qualified veteran” means a~~
10 ~~member of the Armed Forces of the United States who has been~~
11 ~~honorably discharged from service within the five calendar years~~
12 ~~preceding employment by the qualified taxpayer, who received~~
13 ~~unemployment compensation within California for not less than~~
14 ~~four weeks within the 12 calendar months preceding the date of~~
15 ~~employment by the qualified taxpayer, and who is employed by~~
16 ~~the qualified taxpayer for at least 120 hours during the taxable year~~
17 ~~in which the credit is claimed.~~

18 ~~(e) The credit allowed by this section shall be decreased by the~~
19 ~~amount of any other credit or deduction that the qualified taxpayer~~
20 ~~may otherwise claim pursuant to this part.~~

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

22 (1) “Qualified taxpayer” means a taxpayer that has a business
23 located in California or does business primarily in California or
24 with Californians.

25 (2) “Qualified veteran” means a member of the Armed Forces
26 of the United States who has been honorably discharged from
27 service within the five calendar years preceding employment by
28 the qualified taxpayer, who received unemployment compensation
29 within California for not less than four weeks within the 12
30 calendar months preceding the date of employment by the qualified
31 taxpayer, and who is employed by the qualified taxpayer for at
32 least 120 hours during the taxable year for which the credit is
33 claimed.

34 (3) “Wages” means wages subject to Division 6 (commencing
35 with Section 13000) of the Unemployment Insurance Code.

36 (d) Any deduction otherwise allowable under this part for
37 qualified wages shall be reduced by the amount of the credit
38 allowed under this section.

39 (f)

(e) In the case where the credit allowed under this section exceeds the “net tax,” the excess may be carried over to reduce the “net tax” in the following year, and succeeding years if necessary, until the credit has been exhausted.

SEC. 2. Section 23623.1 is added to the Revenue and Taxation Code, to read:

23623.1. (a) For each taxable year beginning on or after January 1, 2010, there shall be allowed a credit in the amount specified in subdivision (b) against the “tax,” as defined by Section 23036, to a qualified taxpayer who employs a qualified veteran during the taxable year.

(b) The credit amount shall be 25 percent of the wages, not to exceed six thousand dollars (\$6,000), paid to each qualified veteran by the qualified taxpayer during the taxable year.

~~(c) For purposes of this section, “qualified taxpayer” means a taxpayer that has a business located in California or does business primarily in California or with Californians.~~

~~(d) For purposes of this section, “qualified veteran” means a member of the Armed Forces of the United States who has been honorably discharged from service within the five calendar years preceding employment by the qualified taxpayer, who received unemployment compensation within California for not less than four weeks within the 12 calendar months preceding the date of employment by the qualified taxpayer, and who is employed by the qualified taxpayer for at least 120 hours during the taxable year in which the credit is claimed.~~

~~(e) The credit allowed by this section shall be decreased by the amount of any other credit or deduction that the qualified taxpayer may otherwise claim pursuant to this part.~~

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

(1) “Qualified taxpayer” means a taxpayer that has a business located in California or does business primarily in California or with Californians.

(2) “Qualified veteran” means a member of the Armed Forces of the United States who has been honorably discharged from service within the five calendar years preceding employment by the qualified taxpayer, who received unemployment compensation within California for not less than four weeks within the 12 calendar months preceding the date of employment by the qualified taxpayer, and who is employed by the qualified taxpayer for at

1 *least 120 hours during the taxable year for which the credit is*
2 *claimed.*

3 *(3) “Wages” means wages subject to Division 6 (commencing*
4 *with Section 13000) of the Unemployment Insurance Code.*

5 *(d) Any deduction otherwise allowable under this part for*
6 *qualified wages shall be reduced by the amount of the credit*
7 *allowed under this section.*

8 ~~(f)~~

9 *(e) In the case where the credit allowed under this section*
10 *exceeds the “tax,” the excess may be carried over to reduce the*
11 *“tax” in the following year, and succeeding years if necessary,*
12 *until the credit has been exhausted.*

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

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