ASSEMBLY BILL No. 577

Introduced by Assembly Member Miller

February 16, 2011

An act relating to taxation.

legislative counsel's digest

AB 577, as introduced, Miller. Personal income tax: investments in California-based companies.

The Personal Income Tax Law allows various credits and deductions against the taxes imposed by that law.

This bill would declare that it is the intent of the Legislature to enact tax legislation to encourage investment in California-based companies, as provided.

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

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

SECTION 1. The Legislature finds and declares that private investment in publically traded California-based companies is beneficial to the state and its citizens for several reasons, including the fact that private investments in publically traded corporations helps them expand, hire, and produce the quality products that California is known for around the world.

SEC. 2. It is the intent of the Legislature to enact tax legislation to do the following:

(a) Encourage investment in California-based companies that are publicly owned and listed on the New York Stock Exchange

(NYSE) or the National Association of Securities Dealers Automated Quotations System (NASDAQ).

(b) Provide special incentives and lower tax rates for California citizens to utilize on investment profits from the sale of NYSE or NASDAQ listed businesses that are headquartered in California.

(c) Allow taxpayers to recapture their loss of investment capital faster by encouraging investment in a publically traded California-based company

(d) Support the creation of private and public sector policies that encourage investment in publically traded California-based businesses by the state's citizens.

(e) Encourage the creation of special public and private educational programs designed to promote California and the importance of investing in California-based companies because those investments are good for California and its citizens.

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