

AMENDED IN ASSEMBLY MAY 7, 2012

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2656

Introduced by Assembly Member Charles Calderon

February 24, 2012

An act to add and repeal Division 4 (commencing with Section 64140) of Title 6.7 of the Government Code, and to add and repeal Sections 17053.60 ~~and~~, 17053.65, 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2656, as amended, Charles Calderon. California Transportation Financing Authority: tax credit certificates for exporters and importers: income tax credit.

Existing law creates the California Transportation Financing Authority, with various powers and duties relative to the financing of transportation projects.

This bill would authorize the authority to award tax credit certificates to exporters and importers, as defined, that demonstrate to the satisfaction of the authority that, *during the taxable year*, they have increased their cargo tonnage or value through California ports and airports by specified amounts or ~~have created and filled new cargo-moving jobs for California residents~~ *had a net increase in qualified full-time employees hired in California* or ~~have invested capital into~~ *incurred capital costs for a cargo facility in California*. The bill would authorize \$500 million in tax credit certificates to be awarded

by the authority for taxable years beginning on or after January 1, 2013, and before January 1, 2018, *as provided*. The bill would authorize the authority to impose fees to cover its costs in that regard, with fees to be deposited in the Job and Trade Competitiveness Fee Account, which the bill would create in the State Treasury. The bill would authorize the authority to borrow money until the time that sufficient fee revenue is available, with loans made to the authority to be repayable solely from revenues in the account.

The bill would make legislative findings and declarations.

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

This bill would, for taxable years beginning on or after January 1, 2013, and before January 1, 2018, allow a credit in an *aggregate* amount not to exceed \$250,000 *for a taxable year* against the taxes imposed by those laws if a taxpayer receives a tax credit certificate ~~and increases its exports or imports through California ports or airports, creates and fills a new cargo-moving job in California, or makes a capital expenditure for a cargo facility in California, as specified or tax certificates from the authority.~~

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. Division 4 (commencing with Section 64140) is
2 added to Title 6.7 of the Government Code, to read:

3
4 DIVISION 4. JOB AND TRADE COMPETITIVENESS ACT
5

6 64140. (a) The Legislature finds and declares all of the
7 following:

8 (1) California is the international trade leader of the United
9 States as the gateway to the dynamic economies of the Pacific
10 Rim. International trade is one of the most important economic
11 and job creation drivers of the state and a key to the state's
12 economic recovery. Together, the three California customs districts
13 of Los Angeles, San Diego, and San Francisco led the nation by
14 processing approximately \$500 billion in two-way trade value in
15 2010. The combined California ports of Los Angeles, Long Beach,

1 and Oakland are the busiest seaports in the nation, handling
2 approximately 45 percent of all the waterborne containerized cargo
3 coming into the United States.

4 (2) California, however, must do more to ensure that California
5 ports remain competitive, as the Gulf, East Coast, and Mexican
6 ports work to attract business away from California seaports and
7 competition intensifies after the expansion of the Panama Canal
8 in 2014. California ports are taking action to retain market share
9 by expanding terminal capacity and investing in other trade-related
10 infrastructure projects, but more needs to be done to protect
11 California’s vitally important international trade sector, including
12 creating incentives to maintain and grow new business-,
13 manufacturing-, and trade-related jobs in the years ahead.

14 (b) It is the intent of the Legislature to boost exports and imports
15 through California ports and airports by providing tax incentives
16 for California exporters and importers and by providing tax
17 incentives for increasing cargo-moving capacity.

18 (c) Providing California tax credits to exporters and importers
19 through California ports and airports and increasing cargo-moving
20 capacity at California’s ports and airports will support President
21 Obama’s national export initiative.

22 64141. For the purposes of this division, the following terms
23 have the following meanings:

24 (a) *“Annual full-time equivalent” means either of the following:*

25 (1) *In the case of a full-time employee who was paid hourly*
26 *qualified wages, “annual full-time equivalent” means the total*
27 *number of hours worked for the taxpayer by the employee (not to*
28 *exceed 2,000 hours per employee) divided by 2,000.*

29 (2) *In the case of a salaried full-time employee, “annual*
30 *full-time equivalent” means the total number of weeks worked for*
31 *the taxpayer by the employee divided by 52.*

32 (a)

33 (b) *“Authority” means the California Transportation Financing*
34 *Authority established in Section 64101.*

35 (c) (1) *“Capital costs” means all costs and expenses incurred*
36 *by one or more exporter or importer in connection with the*
37 *acquisition, construction, installation, and equipping of a cargo*
38 *facility, including any environmental mitigation undertaken*
39 *specifically to reduce the impacts of a cargo facility, during the*
40 *period commencing with the date on which the acquisition,*

1 construction, installation, and equipping commences and ending
2 on the date on which the cargo facility is placed in service.

3 (2) Capital costs shall include, but not be limited to, the
4 following:

5 (A) The costs of acquiring, constructing, installing, equipping,
6 and financing a cargo facility, including all obligations incurred
7 for labor and to contractors, subcontractors, builders, and
8 materialmen.

9 (B) The costs of acquiring land or rights in land and any cost
10 incidental thereto, including recording fees.

11 (C) The costs of contract bonds and of insurance of any kind
12 that may be required or necessary during the acquisition,
13 construction, or installation of a cargo facility.

14 (D) The costs of architectural and engineering services,
15 including test borings, surveys, estimates, plans, specifications,
16 preliminary investigations, environmental mitigation, and
17 supervision of construction, as well as for the performance of all
18 the duties required by or consequent upon the acquisition,
19 construction, and installation of a cargo facility.

20 (E) The costs associated with installation of fixtures and
21 equipment, surveys, including archaeological and environmental
22 surveys, site tests and inspections, subsurface site work, excavation,
23 removal of structures, roadways, and other surface obstructions,
24 filling, grading, paving, and provisions for drainage, stormwater
25 retention, installation of utilities, including water, sewerage
26 treatment, gas, electricity, communications, and similar facilities,
27 and offsite construction of utility extensions to the boundaries of
28 the property.

29 (F) The costs of completing any environmental mitigation.

30 (G) All other costs of a nature comparable to those described,
31 including, but not limited to, all project costs required to be
32 capitalized for federal income tax purposes pursuant to the
33 provisions of Section 263(a) of Title 26 of the United States Code.

34 (H) Costs otherwise defined as capital costs incurred by the
35 exporter or importer where the qualifying taxpayer is the lessee
36 under a lease that contains a term of not less than five years and
37 is characterized as a capital lease for federal income tax purposes.

38 (3) Capital costs shall not include property owned or leased by
39 the exporter or importer or a related entity before the
40 commencement of the acquisition, construction, installation, or

1 *equipping of the cargo facility, unless the property was physically*
2 *located outside the state for a period of at least one year prior to*
3 *the date on which the cargo facility was placed in service.*

4 (4) *Capital costs shall not include project costs that were*
5 *expended prior to January 1, 2013.*

6 (d) *“Cargo facility” means a capital project at a port or airport*
7 *in California designed to increase cargo-moving capacity at that*
8 *port or airport and that is expended in a taxable year and has a*
9 *useful life of five years or more.*

10 ~~(b)~~

11 (e) *“Export cargo tonnage” means the weight of cargo exported*
12 *through California ports and airports by an exporter to destinations*
13 *outside the United States.*

14 ~~(e)~~

15 (f) *“Export cargo value” means the value of cargo exported*
16 *through California airports by an exporter to destinations*
17 *outside of the United States as certified by the applicant for a tax*
18 *credit certificate.*

19 ~~(d)~~

20 (g) *“Exporter” means a California taxpayer that is the shipper*
21 *of record of agricultural products or manufactured goods on an*
22 *ocean bill of lading or on an air waybill.*

23 ~~(e)~~

24 (h) *“Import cargo tonnage” means the weight of cargo imported*
25 *by an importer through California ports and airports by that*
26 *importer from outside the United States.*

27 ~~(f)~~

28 (i) *“Import cargo value” means the value of cargo imported*
29 *through California airports by an importer from outside the*
30 *United States as certified by the applicant for a tax credit certificate.*

31 ~~(g)~~

32 (j) *“Importer” means a California taxpayer that is the consignee*
33 *of record of agricultural products or manufactured goods on an*
34 *ocean bill of lading or on an air waybill.*

35 ~~(h) “New cargo-moving job” means a 40-hour or more per week~~
36 ~~position, for one employee or a combination of employees, in~~
37 ~~California, related to an increase in export or import cargo volume~~
38 ~~through a port or airport in California, created and filled during a~~
39 ~~taxable year beginning on or after January 1, 2013, and before~~
40 ~~January 1, 2018, by an importer or exporter.~~

1 (k) (1) “Qualified full-time employee” means either of the
2 following:

3 (A) A qualified employee who was paid qualified wages by the
4 qualified employer for services of not less than an average of 35
5 hours per week.

6 (B) A qualified employee who was a salaried employee and was
7 paid compensation during the taxable year for full-time
8 employment, within the meaning of Section 515 of the Labor Code,
9 by the qualified employer.

10 (2) A “qualified employee” shall not include any of the
11 following:

12 (A) An employee certified as a qualified employee in an
13 enterprise zone designated in accordance with Chapter 12.8
14 (commencing with Section 7070) of Division 7 of Title 1.

15 (B) An employee certified as a qualified disadvantaged
16 individual in a manufacturing enhancement area designated in
17 accordance with Section 7073.8.

18 (C) An employee certified as a qualified employee in a targeted
19 tax area designated in accordance with Section 7097.

20 (D) An employee certified as a qualified disadvantaged
21 individual or a qualified displaced employee in a local agency
22 military base recovery area (LAMBRA) designated in accordance
23 with Chapter 12.97 (commencing with Section 7105) of Division
24 7 of Title 1.

25 (E) An employee whose wages are included in calculating any
26 other credit allowed under Part 10 (commencing with Section
27 17001) or Part 11 (commencing with Section 23001) of Division
28 2 of the Revenue and Taxation Code.

29 (l) “Qualified wages” means wages subject to Division 6
30 (commencing with Section 13000) of the Unemployment Insurance
31 Code.

32 (i)

33 (m) “Tax credit certificate” means a certificate awarded by the
34 authority to an exporter or importer evidencing the right of the
35 exporter or importer to claim the tax credits provided for in this
36 division in the amount specified in the certificate.

37 64142. (a) ~~The~~ Subject to the limitations in subdivision (f), for
38 taxable years beginning on or after January 1, 2013, and before
39 January 1, 2018, the authority may award a tax credit certificate
40 or tax credit certificates to a person that is an exporter or importer

1 pursuant to subdivisions (b) ~~and (e)~~, (c), and (d) in an aggregate
2 amount that is not greater than two hundred fifty thousand dollars
3 (\$250,000) for a taxable year. ~~The total amount of tax credit~~
4 ~~certificates authorized to be awarded pursuant to subdivision (b)~~
5 ~~is two hundred fifty million dollars (\$250,000,000) and pursuant~~
6 ~~to subdivision (e) is two hundred fifty million dollars~~
7 ~~(\$250,000,000) for a total of five hundred million dollars~~
8 ~~(\$500,000,000) to be awarded pro rata over the taxable years~~
9 ~~beginning on or after January 1, 2013, and before January 1, 2018.~~

10 (b) ~~Subject to the limitations in subdivision (e),~~ A tax credit
11 ~~certificates certificate, in an amount specified in subdivision (a)~~
12 ~~of Section 17053.60 of the Revenue and Taxation Code or~~
13 ~~subdivision (a) of Section 23660 of the Revenue and Taxation~~
14 ~~Code, may be awarded by the authority to any of the following:~~

15 (1) Exporters that demonstrate to the satisfaction of the authority
16 that they have increased their export cargo tonnage through
17 California ports in a taxable year beginning on or after January 1,
18 2013, and before January 1, 2018, by at least 5 percent over their
19 export cargo tonnage through California ports for the preceding
20 taxable year.

21 (2) Importers that demonstrate to the satisfaction of the authority
22 that they have increased their import cargo tonnage through
23 California ports in a taxable year beginning on or after January 1,
24 2013, and before January 1, 2018, by at least 5 percent over their
25 import cargo tonnage through California ports for the preceding
26 taxable year.

27 (3) Exporters that demonstrate to the satisfaction of the authority
28 that they have increased their export cargo value through California
29 airports in a taxable year beginning on or after January 1, 2013,
30 and before January 1, 2018, by at least 5 percent over their export
31 cargo ~~tonnage~~ value through California airports for the preceding
32 taxable year.

33 (4) Importers that demonstrate to the satisfaction of the authority
34 that they have increased their import cargo value through California
35 airports in taxable year beginning on or after January 1, 2013, and
36 before January 1, 2018, by at least 5 percent over their import
37 cargo ~~tonnage~~ value through California airports for the preceding
38 taxable year.

39 (5) Exporters or importers that demonstrate to the satisfaction
40 of the authority that they have exported or imported export or

1 import cargo tonnage through California ports in excess of 400,000
2 tons in a taxable year beginning on or after January 1, 2013, and
3 before January 1, 2018, and that they did not export or import
4 cargo through California ports in the preceding taxable year.

5 (6) Exporters and importers that demonstrate to the satisfaction
6 of the authority that they have exported or imported cargo through
7 California airports with export or import cargo value in excess of
8 two hundred fifty thousand dollars (\$250,000) in a taxable year
9 beginning on or after January 1, 2013, and before January 1, 2018,
10 and that they did not export or import cargo through California
11 airports in the preceding taxable year.

12 ~~(e) (1) Subject to the limitations in subdivision (e), tax credit~~
13 ~~certificates may be awarded by the authority to exporters and~~
14 ~~importers that demonstrate to the satisfaction of the authority that~~
15 ~~they have created and filled all new cargo-moving jobs in~~
16 ~~California on account of an increase in the cargo volume of the~~
17 ~~exporter or importer. The number of new cargo-moving jobs~~
18 ~~created and filled in a taxable year shall be determined by~~
19 ~~subtracting the total number of full-time cargo-moving jobs,~~
20 ~~defined as 2,000 paid hours per employee per year, filled by the~~
21 ~~taxpayer in the preceding taxable year from the total number of~~
22 ~~full-time cargo-moving jobs filled by the taxpayer in the taxable~~
23 ~~year.~~

24 ~~(2) Subject to the limitations in subdivision (e), tax credit~~
25 ~~certificates may be awarded by the authority to exporters and~~
26 ~~importers that demonstrate to the satisfaction of the authority that~~
27 ~~they have made capital expenditures on a cargo facility in~~
28 ~~California.~~

29 *(c) (1) A tax credit certificate, in an amount specified in*
30 *subdivision (a) of Section 17053.65 of the Revenue and Taxation*
31 *Code or subdivision (a) of Section 23665 of the Revenue and*
32 *Taxation Code, may be awarded by the authority to an exporter*
33 *or importer that demonstrates to the satisfaction of the authority*
34 *that the exporter or importer had a net increase in qualified*
35 *full-time employees hired in California during the taxable year.*

36 *(2) The net increase in qualified full-time employees of a*
37 *qualified employer shall be determined as provided by this*
38 *paragraph:*

39 *(A) The net increase in qualified full-time employees shall be*
40 *determined on an annual full-time equivalent basis by subtracting*

1 *from the amount determined in clause (ii) the amount determined*
2 *in clause (i).*

3 *(i) The total number of qualified full-time employees employed*
4 *in the preceding taxable year by the taxpayer and by any trade or*
5 *business acquired by the taxpayer during the current taxable year.*

6 *(ii) The total number of full-time employees employed in the*
7 *current taxable year by the taxpayer and by any trade or business*
8 *acquired during the current taxable year.*

9 *(B) For taxpayers who first commence doing business in this*
10 *state during the taxable year, the number of full-time employees*
11 *for the immediately preceding prior taxable year shall be zero.*

12 ~~(d)~~

13 *(e) The authority shall develop, consistent with the requirements*
14 *and criteria of this division and Sections 17053.60, 17053.65,*
15 *17053.66, 23660, 23665, and 23666 of the Revenue and Taxation*
16 *Code, do all of the following:*

17 *(1) Establish a procedure for applicants to apply for the tax*
18 *credit certificates, and a process to award those tax credit*
19 *certificates on a first-come-first-served basis.*

20 *(2) Determine the information necessary to be provided by an*
21 *applicant to the authority in order to award the tax credit*
22 *certificates.*

23 *(3) Develop and provide application forms for use by applicants*
24 *for tax credit certificates. The application form shall provide for*
25 *inclusion of the applicant's taxpayer identification number.*

26 ~~*(e) If the authority projects that requests for tax credit certificates*~~
27 ~~*are likely to exceed the amount permitted by this division to be*~~
28 ~~*awarded by the authority during any calendar year, the authority*~~
29 ~~*shall defer its awards for that calendar year until the end of the*~~
30 ~~*calendar year and allocate awards for that calendar year pro rata,*~~
31 ~~*on the basis of total tax credits certificates that would be awarded*~~
32 ~~*in the absence of a limitation on awards, among all applicants*~~
33 ~~*approved pursuant to subdivisions (b) and (c).*~~

34 *(f) The total amount of tax credit certificates authorized to be*
35 *awarded pursuant to subdivisions (b), (c), and (d) in each of the*
36 *five calendar years beginning with January 1, 2013, is one hundred*
37 *million dollars (\$100,000,000), for a total of five hundred million*
38 *dollars (\$500,000,000), and any portion of that authorization not*
39 *awarded in any calendar year may be awarded in a future calendar*
40 *year ending before January 1, 2018.*

1 ~~(f)~~

2 (g) (1) The authority shall establish and charge applicants fees
3 that it determines are reasonably sufficient to cover all of its costs
4 in carrying out its responsibilities under this division. The fees
5 shall be deposited in the Job and Trade Competitiveness Fee
6 Account, which is hereby established in the State Treasury. Moneys
7 in the account shall be available, upon appropriation by the
8 Legislature, to the authority for the purpose of implementing this
9 division.

10 (2) Until the time that sufficient revenue is received by the
11 authority, the authority may borrow any money as may be required
12 for the purpose of meeting necessary expenses under this division,
13 not to exceed the amount appropriated. A loan made to the
14 authority shall be repayable solely from moneys appropriated to
15 the authority from the Job and Trade Competitiveness Fee Account
16 and shall not constitute a general obligation of the state for which
17 the full faith and credit of the state are pledged.

18 ~~(g)~~

19 (h) The authority shall determine the amount of each tax credit
20 pursuant to this division and Sections 17053.60 ~~and 23660~~,
21 17053.65, 17053.66, 23660, 23665, and 23666 of the Revenue
22 and Taxation Code, and the Franchise Tax Board shall not be
23 responsible for determining the amount of that tax credit. The
24 authority shall provide the Franchise Tax Board with an electronic
25 copy of each tax credit certification awarded by it *within 30 days*
26 *after issuing the certificate*. The tax credit certificate shall include
27 the *date of issuance*, the amount of the tax credit, the name, the
28 *type of credit awarded*, and taxpayer identification number of the
29 exporter or importer to which the certificate was awarded.

30 (i) *The authority shall establish audit procedures of taxpayers*
31 *who have been awarded a tax credit certificate to verify that the*
32 *tax credit certificate was awarded consistent with the requirements*
33 *of this division and Sections 17053.60, 17053.65, 17053.66, 23660,*
34 *23665, and 23666 of the Revenue and Taxation Code. The authority*
35 *shall conduct audits at random as the authority deems appropriate.*

36 (j) *In the event that the authority determines that any amount*
37 *of a tax credit certificate was not awarded consistent with the*
38 *requirements of this division or Sections 17053.60, 17053.65,*
39 *17053.66, 23660, 23665, and 23666 of the Revenue and Taxation*
40 *Code, the authority shall cancel any unapplied amount erroneously*

1 *awarded and any previously allowed credit erroneously awarded*
2 *shall be recaptured. The authority shall notify the Franchise Tax*
3 *Board of any amounts of a tax credit certificate that were*
4 *erroneously awarded and were canceled.*

5 *(k) The authority may prescribe rules, guidelines, or procedures*
6 *necessary or appropriate to carry out the purposes of this division.*
7 *Chapter 3.5 (commencing with Section 11340) of Part 1 of Division*
8 *3 of Title 2 does not apply to any rule, guideline, or procedure*
9 *prescribed by the authority pursuant to this subdivision.*

10 ~~(h)~~

11 *(l) A tax credit certificate awarded pursuant to this section shall*
12 *not be transferable.*

13 ~~(i)~~

14 *(m) This section shall remain in effect only until December 1,*
15 *2018, and as of that date is repealed.*

16 SEC. 2. Section 17053.60 is added to the Revenue and Taxation
17 Code, to read:

18 17053.60. (a) (1) For each taxable year beginning on or after
19 January 1, 2013, and before January 1, 2018, and subject to
20 subdivision (c), there shall be allowed as a credit against the “net
21 tax,” as defined in Section 17039, the amount specified in
22 paragraph (2), *to an exporter or importer that has been awarded*
23 *a tax credit certificate pursuant to the Job and Trade*
24 *Competitiveness Act (Division 4 (commencing with Section 64140)*
25 *of Title 6.7 of the Government Code).*

26 (2) (A) ~~(i)~~ If an exporter or importer imported or exported
27 during the preceding taxable year, the credit amount will be
28 determined as follows:

29 ~~(i)~~

30 *(i) The amount of credit allowed for an exporter or importer*
31 *that increases exports or imports through ports in California shall*
32 *be three dollars and twelve and one-half cents (\$3.125) per ton of*
33 *increased exports and imports through ports in California in a*
34 *taxable year attributable to the exporter or importer.*

35 ~~(ii)~~

36 *(ii) The amount of credit allowed for an exporter or importer*
37 *that increases exports or imports through airports in California*
38 *shall be one thousand dollars (\$1,000) for each ten thousand dollars*
39 *(\$10,000) of increased exports and imports through airports in*
40 *California in a taxable year attributable to the exporter or importer.*

1 ~~(ii)~~
 2 (B) If an exporter or importer did not import or export during
 3 the preceding taxable year, the credit amount shall be determined
 4 as follows:

5 ~~(I)~~
 6 (i) The amount of credit allowed for an exporter or importer
 7 that exports or imports 400,000 or more tons through ports in
 8 California in a taxable year shall be three dollars and twelve and
 9 one-half cents (\$3.125) per ton of exports and imports through
 10 ports in California in a taxable year attributable to the exporter or
 11 importer.

12 ~~(II)~~
 13 (ii) The amount of credit allowed for an exporter or importer
 14 that exports or imports two hundred fifty thousand dollars
 15 (\$250,000) or more through airports in California shall be one
 16 thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)
 17 of exports and imports through airports in California in a taxable
 18 year attributable to the exporter or importer.

19 ~~(B) The amount of the credit shall be three thousand dollars~~
 20 ~~(\$3,000) for each new cargo-moving job created and filled by an~~
 21 ~~exporter or importer in a taxable year or 2 percent of the amount~~
 22 ~~of capital expenditures for a cargo facility made by an exporter or~~
 23 ~~importer during a taxable year, whichever is greater.~~

24 (b) For purposes of this section:
 25 (1) ~~“Cargo facility” means a capital project at a port or airport~~
 26 ~~in California designed to increase cargo-moving capacity at that~~
 27 ~~port or airport and that is expended in a taxable year and has a~~
 28 ~~useful life of five years or more.~~

29 (1) *“Authority” means the California Transportation Financing*
 30 *Authority established in Section 64101 of the Government Code.*

31 (2) *“Exporter” has the same meaning as provided in subdivision*
 32 ~~(d)~~ *(g) of Section 64141 of the Government Code.*

33 (3) *“Importer” has the same meaning as provided in subdivision*
 34 ~~(e)~~ *(j) of Section 64141 of the Government Code.*

35 (4) *“Increased exports or imports” means the difference between*
 36 *the amount of exports and imports, whether measured by tons or*
 37 *dollars, in a current taxable year and the preceding taxable year.*

38 (5) ~~“New cargo-moving job” has the same meaning as provided~~
 39 ~~in subdivision (h) of Section 64141 of the Government Code.~~

1 (5) “Tax credit certificate” has the same meaning as provided
2 in subdivision (m) of Section 64141 of the Government Code.

3 (c) The aggregate amount of the credit allowed to a taxpayer
4 under this section and Sections 17053.65 and 17053.66 shall be
5 no more than two hundred fifty thousand dollars (\$250,000) for a
6 taxable year and shall be limited to the amount specified in the tax
7 credit certificate issued to the taxpayer pursuant to ~~Section 64140~~
8 ~~of the Government Code~~ the Job and Trade Competitiveness Act
9 (Division 4 (commencing with Section 64140) of Title 6.7 of the
10 Government Code).

11 (d) In the event that the authority notifies the Franchise Tax
12 Board of any amounts of a tax credit certificate that were
13 erroneously awarded and were canceled pursuant to subdivision
14 (k) of Section 64142 of the Government Code, those amounts shall
15 not be allowed as a credit, and any previously allowed credit shall
16 be recaptured. The taxpayer shall be liable for any increase in tax
17 attributable to the recapture of any credit previously allowed under
18 this section.

19 ~~(d)~~

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

24 ~~(e)~~

25 (f) This section shall remain in effect only until December 1,
26 2018, and as of that date is repealed.

27 SEC. 3. Section 17053.65 is added to the Revenue and Taxation
28 Code, to read:

29 17053.65. (a) For each taxable year beginning on or after
30 January 1, 2013, and before January 1, 2018, and subject to
31 subdivision (c), there shall be allowed as a credit against the “net
32 tax,” as defined in Section 17039, to an exporter or importer that
33 has been awarded a tax credit certificate pursuant to the Job and
34 Trade Competitiveness Act (Division 4 (commencing with Section
35 64140) of Title 6.7 of the Government Code), in an amount equal
36 to three thousand dollars (\$3,000) for each net increase in qualified
37 full-time employees hired in California during the taxable year by
38 an exporter or importer, in a taxable year.

39 (b) For purposes of this section:

1 (1) “Authority” means the California Transportation Financing
2 Authority established in Section 64101 of the Government Code.

3 (2) “Exporter” has the same meaning as provided in subdivision
4 (g) of Section 64141 of the Government Code.

5 (3) “Importer” has the same meaning as provided in subdivision
6 (j) of Section 64141 of the Government Code.

7 (4) “Qualified full-time employee” has the same meaning as
8 provided in subdivision (k) of the Government Code.

9 (5) “Tax credit certificate” has the same meaning as provided
10 in subdivision (m) of Section 64141 of the Government Code.

11 (c) The aggregate amount of the credit allowed to a taxpayer
12 under this section and Sections 17053.60 and 17053.66 shall be
13 no more than two hundred fifty thousand dollars (\$250,000) for
14 a taxable year and shall be limited to the amount specified in the
15 tax credit certificate issued to the taxpayer pursuant to the Job
16 and Trade Competitiveness Act (Division 4 (commencing with
17 Section 64140) of Title 6.7 of the Government Code).

18 (d) In the event that the authority notifies the Franchise Tax
19 Board of any amounts of a tax credit certificate that were
20 erroneously awarded and were canceled pursuant to subdivision
21 (k) of Section 64142 of the Government Code, those amounts shall
22 not be allowed as a credit, and any previously allowed credit shall
23 be recaptured. The taxpayer shall be liable for any increase in tax
24 attributable to the recapture of any credit previously allowed under
25 this section.

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

30 (f) This section shall remain in effect only until December 1,
31 2018, and as of that date is repealed.

32 SEC. 4. Section 17053.66 is added to the Revenue and Taxation
33 Code, to read:

34 17053.66. (a) For each taxable year beginning on or after
35 January 1, 2013, and before January 1, 2018, and subject to
36 subdivision (c), there shall be allowed as a credit against the “net
37 tax,” as defined in Section 17039, to an exporter or importer that
38 has been awarded a tax credit certificate pursuant to the Job and
39 Trade Competitiveness Act (Division 4 (commencing with Section
40 64140) of Title 6.7 of the Government Code), in an amount of up

1 to, but not to exceed, 2 percent of the total capital costs for a cargo
2 facility constructed in California by an exporter or importer during
3 a taxable year, in a taxable year.

4 (b) For purposes of this section:

5 (1) "Authority" means the California Transportation Financing
6 Authority established in Section 64101 of the Government Code.

7 (2) "Capital costs" has the same meaning as provided in
8 subdivision (c) of the Government Code.

9 (3) "Cargo facility" has the same meaning as provided in
10 subdivision (d) of the Government Code.

11 (4) "Exporter" has the same meaning as provided in subdivision
12 (g) of Section 64141 of the Government Code.

13 (5) "Importer" has the same meaning as provided in subdivision
14 (j) of Section 64141 of the Government Code.

15 (6) "Tax credit certificate" has the same meaning as provided
16 in subdivision (m) of Section 64141 of the Government Code.

17 (c) The aggregate amount of the credit allowed to a taxpayer
18 under this section and Sections 17053.60 and 17053.65 shall be
19 no more than two hundred fifty thousand dollars (\$250,000) for
20 a taxable year and shall be limited to the amount specified in the
21 tax credit certificate issued to the taxpayer pursuant to the Job
22 and Trade Competitiveness Act (Division 4 (commencing with
23 Section 64140) of Title 6.7 of the Government Code).

24 (d) In the event that the authority notifies the Franchise Tax
25 Board of any amounts of a tax credit certificate that were
26 erroneously awarded and were canceled pursuant to subdivision
27 (k) of Section 64142 of the Government Code, those amounts shall
28 not be allowed as a credit, and any previously allowed credit shall
29 be recaptured. The taxpayer shall be liable for any increase in tax
30 attributable to the recapture of any credit previously allowed under
31 this section.

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

36 (f) This section shall remain in effect only until December 1,
37 2018, and as of that date is repealed.

38 ~~SEC. 3.~~

39 SEC. 5. Section 23660 is added to the Revenue and Taxation
40 Code, to read:

1 23660. (a) (1) For each taxable year beginning on or after
2 January 1, 2013, and before January 1, 2018, and subject to
3 subdivision (c), there shall be allowed as a credit against the “tax,”
4 as defined in Section 23036, an amount specified in paragraph (2),
5 *to an exporter or importer that has been awarded a tax credit*
6 *certificate pursuant to the Job and Trade Competitiveness Act*
7 *(Division 4 (commencing with Section 64140) of Title 6.7 of the*
8 *Government Code).*

9 (2) (A) ~~(i)~~—If an exporter or importer imported or exported
10 during the preceding taxable year, the credit amount will be
11 determined as follows:

12 ~~(i)~~

13 (i) The amount of credit allowed for an exporter or importer
14 that increases exports or imports through ports in California shall
15 be three dollars and twelve and one-half cents (\$3.125) per ton of
16 increased exports and imports through ports in California in a
17 taxable year attributable to the exporter or importer.

18 ~~(ii)~~

19 (ii) The amount of credit allowed for an exporter or importer
20 that increases exports or imports through airports in California
21 shall be one thousand dollars (\$1,000) for each ten thousand dollars
22 (\$10,000) of increased exports and imports through airports in
23 California in a taxable year attributable to the exporter or importer.

24 ~~(iii)~~

25 (B) If an exporter or importer did not import or export during
26 the preceding taxable year, the credit amount shall be determined
27 as follows:

28 ~~(i)~~

29 (i) The amount of credit allowed for an exporter or importer
30 that exports or imports 400,000 or more tons through ports in
31 California in a taxable year shall be three dollars and twelve and
32 one-half cents (\$3.125) per ton of exports and imports through
33 ports in California in a taxable year attributable to the exporter or
34 importer.

35 ~~(ii)~~

36 (ii) The amount of credit allowed for an exporter or importer
37 that exports or imports two hundred fifty thousand dollars
38 (\$250,000) or more through airports in California shall be one
39 thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)

1 of exports and imports through airports in California in a taxable
2 year attributable to the exporter or importer.

3 ~~(B) The amount of the credit shall be three thousand dollars~~
4 ~~(\$3,000) for each new cargo-moving job created and filled by an~~
5 ~~exporter or importer in a taxable year pursuant to Section 64142~~
6 ~~of the Government Code or 2 percent of the amount of capital~~
7 ~~expenditures for a cargo facility made by an exporter or importer~~
8 ~~during a taxable year, whichever is greater.~~

9 (b) For purposes of this section:

10 ~~(1) “Cargo facility” means a capital project at a port or airport~~
11 ~~in California designed to increase cargo-moving capacity at that~~
12 ~~port or airport and that is expended in a taxable year and has a~~
13 ~~useful life of five years or more.~~

14 ~~(1) “Authority” means the California Transportation Financing~~
15 ~~Authority established in Section 64101 of the Government Code.~~

16 ~~(2) “Exporter” has the same meaning as provided in subdivision~~
17 ~~(d) (g) of Section 64141 of the Government Code.~~

18 ~~(3) “Importer” has the same meaning as provided in subdivision~~
19 ~~(g) (j) of Section 64141 of the Government Code.~~

20 ~~(4) “Increased exports or imports” means the difference between~~
21 ~~the amount of exports and imports, whether measured by tons or~~
22 ~~dollars, in a current taxable year and the preceding taxable year.~~

23 ~~(5) “New cargo-moving job” has the same meaning as provided~~
24 ~~in subdivision (h) of Section 64141 of the Government Code.~~

25 ~~(5) “Tax credit certificate” has the same meaning as provided~~
26 ~~in subdivision (m) of Section 64141 of the Government Code.~~

27 (c) The aggregate amount of credit allowed to a taxpayer under
28 this section *and Sections 23665 and 23666* shall be no more than
29 two hundred fifty thousand dollars (\$250,000) for a taxable year
30 and shall be limited to the amount specified in the credit certificate
31 issued to the taxpayer pursuant to ~~Section 64140 of the Government~~
32 ~~Code—the Job and Trade Competitiveness Act (Division 4~~
33 ~~(commencing with Section 64140) of Title 6.7 of the Government~~
34 ~~Code).~~

35 (d) *In the event that the authority notifies the Franchise Tax*
36 *Board of any amounts of a tax credit certificate that were*
37 *erroneously awarded and were canceled pursuant to subdivision*
38 *(k) of Section 64142 of the Government Code, those amounts shall*
39 *not be allowed as a credit, and any previously allowed credit shall*
40 *be recaptured. The taxpayer shall be liable for any increase in tax*

1 *attributable to the recapture of any credit previously allowed under*
2 *this section.*

3 ~~(d)~~

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

8 ~~(e)~~

9 (f) This section shall remain in effect only until December 1,
10 2018, and as of that date is repealed.

11 *SEC. 6. Section 23665 is added to the Revenue and Taxation*
12 *Code, to read:*

13 23665. (a) For each taxable year beginning on or after
14 January 1, 2013, and before January 1, 2018, and subject to
15 subdivision (c), there shall be allowed as a credit against the “tax,”
16 as defined in Section 23036, to an exporter or importer that has
17 been awarded a tax credit certificate pursuant to the Job and Trade
18 Competitiveness Act (Division 4 (commencing with Section 64140)
19 of Title 6.7 of the Government Code), in an amount equal to three
20 thousand dollars (\$3,000) for each net increase in qualified
21 full-time employees hired in California during the taxable year by
22 an exporter or importer, in a taxable year.

23 (b) For purposes of this section:

24 (1) “Authority” means the California Transportation Financing
25 Authority established in Section 64101 of the Government Code.

26 (2) “Exporter” has the same meaning as provided in subdivision
27 (g) of Section 64141 of the Government Code.

28 (3) “Importer” has the same meaning as provided in subdivision
29 (j) of Section 64141 of the Government Code.

30 (4) “Qualified full-time employee” has the same meaning as
31 provided in subdivision (k) of the Government Code.

32 (5) “Tax credit certificate” has the same meaning as provided
33 in subdivision (m) of Section 64141 of the Government Code.

34 (c) The aggregate amount of the credit allowed to a taxpayer
35 under this section and Sections 23660 and 23666 shall be no more
36 than two hundred fifty thousand dollars (\$250,000) for a taxable
37 year and shall be limited to the amount specified in the tax credit
38 certificate issued to the taxpayer pursuant to the Job and Trade
39 Competitiveness Act (Division 4 (commencing with Section 64140)
40 of Title 6.7 of the Government Code).

1 (d) In the event that the authority notifies the Franchise Tax
2 Board of any amounts of a tax credit certificate that were
3 erroneously awarded and were canceled pursuant to subdivision
4 (k) of Section 64142 of the Government Code, those amounts shall
5 not be allowed as a credit, and any previously allowed credit shall
6 be recaptured. The taxpayer shall be liable for any increase in tax
7 attributable to the recapture of any credit previously allowed under
8 this section.

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

13 (f) This section shall remain in effect only until December 1,
14 2018, and as of that date is repealed.

15 SEC. 7. Section 23666 is added to the Revenue and Taxation
16 Code, to read:

17 23666. (a) For each taxable year beginning on or after
18 January 1, 2013, and before January 1, 2018, and subject to
19 subdivision (c), there shall be allowed as a credit against the “tax,”
20 as defined in Section 23036, to an exporter or importer that has
21 been awarded a tax credit certificate pursuant to the Job and Trade
22 Competitiveness Act (Division 4 (commencing with Section 64140)
23 of Title 6.7 of the Government Code), in an amount of up to, but
24 not to exceed, 2 percent of the total capital costs for a cargo facility
25 constructed in California by an exporter or importer during a
26 taxable year, in a taxable year.

27 (b) For purposes of this section:

28 (1) “Authority” means the California Transportation Financing
29 Authority established in Section 64101 of the Government Code.

30 (2) “Capital costs” has the same meaning as provided in
31 subdivision (c) of the Government Code.

32 (3) “Cargo facility” has the same meaning as provided in
33 subdivision (d) of the Government Code.

34 (4) “Exporter” has the same meaning as provided in subdivision
35 (g) of Section 64141 of the Government Code.

36 (5) “Importer” has the same meaning as provided in subdivision
37 (j) of Section 64141 of the Government Code.

38 (6) “Tax credit certificate” has the same meaning as provided
39 in subdivision (m) of Section 64141 of the Government Code.

1 (c) The aggregate amount of the credit allowed to a taxpayer
2 under this section and Sections 23660 and 23665 shall be no more
3 than two hundred fifty thousand dollars (\$250,000) for a taxable
4 year and shall be limited to the amount specified in the tax credit
5 certificate issued to the taxpayer pursuant to the Job and Trade
6 Competitiveness Act (Division 4 (commencing with Section 64140)
7 of Title 6.7 of the Government Code).

8 (d) In the event that the authority notifies the Franchise Tax
9 Board of any amounts of a tax credit certificate that were
10 erroneously awarded and were canceled pursuant to subdivision
11 (k) of Section 64142 of the Government Code, those amounts shall
12 not be allowed as a credit, and any previously allowed credit shall
13 be recaptured. The taxpayer shall be liable for any increase in tax
14 attributable to the recapture of any credit previously allowed under
15 this section.

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

20 (f) This section shall remain in effect only until December 1,
21 2018, and as of that date is repealed.

22 ~~SEC. 4.~~

23 SEC. 8. This act provides for a tax levy within the meaning of
24 Article IV of the Constitution and shall go into immediate effect.

25

26

27 CORRECTIONS:

28 Text—Page 9.

29

O