

AMENDED IN ASSEMBLY MAY 16, 2012

AMENDED IN ASSEMBLY MAY 7, 2012

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2656**

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**Introduced by Assembly Member Charles Calderon**

February 24, 2012

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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, 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 had a net increase in qualified full-time employees hired in California or have 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 *or credits* 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 ~~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,  
16 and Oakland are the busiest seaports in the nation, handling  
17 approximately 45 percent of all the waterborne containerized cargo  
18 coming into the United States.

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

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

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

19 64141. For the purposes of this division, the following terms  
20 have the following meanings:

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

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

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

29 (b) “Authority” means the California Transportation Financing  
30 Authority established in Section 64101.

31 (c) (1) “Capital costs” means all costs and expenses incurred  
32 by one or more exporter or importer in connection with the  
33 acquisition, construction, installation, and equipping of a cargo  
34 facility, including any environmental mitigation undertaken  
35 specifically to reduce the impacts of a cargo facility, during the  
36 period commencing with the date on which the acquisition,  
37 construction, installation, and equipping commences and ending  
38 on the date on which the cargo facility is placed in service.

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

- 1 (A) The costs of acquiring, constructing, installing, equipping,  
2 and financing a cargo facility, including all obligations incurred  
3 for labor and to contractors, subcontractors, builders, and  
4 materialmen.
- 5 (B) The costs of acquiring land or rights in land and any cost  
6 incidental thereto, including recording fees.
- 7 (C) The costs of contract bonds and of insurance of any kind  
8 that may be required or necessary during the acquisition,  
9 construction, or installation of a cargo facility.
- 10 (D) The costs of architectural and engineering services,  
11 including test borings, surveys, estimates, plans, specifications,  
12 preliminary investigations, environmental mitigation, and  
13 supervision of construction, as well as for the performance of all  
14 the duties required by or consequent upon the acquisition,  
15 construction, and installation of a cargo facility.
- 16 (E) The costs associated with installation of fixtures and  
17 equipment, surveys, including archaeological and environmental  
18 surveys, site tests and inspections, subsurface site work, excavation,  
19 removal of structures, roadways, and other surface obstructions,  
20 filling, grading, paving, and provisions for drainage, stormwater  
21 retention, installation of utilities, including water, sewerage  
22 treatment, gas, electricity, communications, and similar facilities,  
23 and offsite construction of utility extensions to the boundaries of  
24 the property.
- 25 (F) The costs of completing any environmental mitigation.
- 26 (G) All other costs of a nature comparable to those described,  
27 including, but not limited to, all project costs required to be  
28 capitalized for federal income tax purposes pursuant to the  
29 provisions of Section 263(a) of Title 26 of the United States Code.
- 30 (H) Costs otherwise defined as capital costs incurred by the  
31 exporter or importer where the qualifying taxpayer is the lessee  
32 under a lease that contains a term of not less than five years and  
33 is characterized as a capital lease for federal income tax purposes.
- 34 (3) Capital costs shall not include property owned or leased by  
35 the exporter or importer or a related entity before the  
36 commencement of the acquisition, construction, installation, or  
37 equipping of the cargo facility, unless the property was physically  
38 located outside the state for a period of at least one year prior to  
39 the date on which the cargo facility was placed in service.

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

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

7 (e) “Export cargo tonnage” means the weight of cargo exported  
8 through California ports by an exporter to destinations outside the  
9 United States.

10 (f) “Export cargo value” means the value of cargo exported  
11 through California airports by an exporter to destinations outside  
12 of the United States as certified by the applicant for a tax credit  
13 certificate.

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

17 (h) “Import cargo tonnage” means the weight of cargo imported  
18 by an importer through California ports by that importer from  
19 outside the United States.

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

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

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

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

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

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

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

1 (B) An employee certified as a qualified disadvantaged  
2 individual in a manufacturing enhancement area designated in  
3 accordance with Section 7073.8.

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

6 (D) An employee certified as a qualified disadvantaged  
7 individual or a qualified displaced employee in a local agency  
8 military base recovery area (LAMBRA) designated in accordance  
9 with Chapter 12.97 (commencing with Section 7105) of Division  
10 7 of Title 1.

11 (E) An employee whose wages are included in calculating any  
12 other credit allowed under Part 10 (commencing with Section  
13 17001) or Part 11 (commencing with Section 23001) of Division  
14 2 of the Revenue and Taxation Code.

15 (l) “Qualified wages” means wages subject to Division 6  
16 (commencing with Section 13000) of the Unemployment Insurance  
17 Code.

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

22 64142. (a) Subject to the limitations in subdivision (f), for  
23 taxable years beginning on or after January 1, 2013, and before  
24 January 1, 2018, the authority may award a tax credit certificate  
25 or tax credit certificates to a person that is an exporter or importer  
26 pursuant to subdivisions (b), (c), and (d) in an aggregate amount  
27 that is not greater than two hundred fifty thousand dollars  
28 (\$250,000) for a taxable year.

29 (b) A tax credit certificate, in an amount specified in subdivision  
30 (a) of Section 17053.60 of the Revenue and Taxation Code or  
31 subdivision (a) of Section 23660 of the Revenue and Taxation  
32 Code, may be awarded by the authority to any of the following:

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

39 (2) Importers that demonstrate to the satisfaction of the authority  
40 that they have increased their import cargo tonnage through

1 California ports in a taxable year beginning on or after January 1,  
2 2013, and before January 1, 2018, by at least 5 percent over their  
3 import cargo tonnage through California ports for the preceding  
4 taxable year.

5 (3) Exporters that demonstrate to the satisfaction of the authority  
6 that they have increased their export cargo value through California  
7 airports in a taxable year beginning on or after January 1, 2013,  
8 and before January 1, 2018, by at least 5 percent over their export  
9 cargo value through California airports for the preceding taxable  
10 year.

11 (4) Importers that demonstrate to the satisfaction of the authority  
12 that they have increased their import cargo value through California  
13 airports in taxable year beginning on or after January 1, 2013, and  
14 before January 1, 2018, by at least 5 percent over their import  
15 cargo value through California airports for the preceding taxable  
16 year.

17 (5) Exporters or importers that demonstrate to the satisfaction  
18 of the authority that they have exported or imported export or  
19 import cargo tonnage through California ports in excess of 400,000  
20 tons in a taxable year beginning on or after January 1, 2013, and  
21 before January 1, 2018, and that they did not export or import  
22 cargo through California ports in the preceding taxable year.

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

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

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

1 (A) The net increase in qualified full-time employees shall be  
2 determined on an annual full-time equivalent basis by subtracting  
3 from the amount determined in clause (ii) the amount determined  
4 in clause (i).

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

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

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

14 *(d) A tax credit certificate, in an amount specified in subdivision*  
15 *(a) of Section 17053.66 of the Revenue and Taxation Code or*  
16 *subdivision (a) of Section 23666 of the Revenue and Taxation*  
17 *Code, may be awarded by the authority to an exporter or importer*  
18 *that demonstrates to the satisfaction of the authority that the*  
19 *exporter or importer has made capital costs on a cargo facility in*  
20 *California during the taxable year.*

21 (e) The authority shall, consistent with the requirements and  
22 criteria of this division and Sections 17053.60, 17053.65, 17053.66,  
23 23660, 23665, and 23666 of the Revenue and Taxation Code, do  
24 all of the following:

25 (1) Establish a procedure for applicants to apply for the tax  
26 credit certificates, and a process to award those tax credit  
27 certificates on a first-come-first-served basis.

28 (2) Determine the information necessary to be provided by an  
29 applicant to the authority in order to award the tax credit  
30 certificates.

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

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

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

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

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

34 (j) In the event that the authority determines that any amount  
35 of a tax credit certificate was not awarded consistent with the  
36 requirements of this division or Sections 17053.60, 17053.65,  
37 17053.66, 23660, 23665, and 23666 of the Revenue and Taxation  
38 Code, the authority shall cancel any unapplied amount erroneously  
39 awarded and any previously allowed credit erroneously awarded  
40 shall be recaptured. The authority shall notify the Franchise Tax

1 Board of any amounts of a tax credit certificate that were  
2 erroneously awarded and were canceled.

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

8 (l) A tax credit certificate awarded pursuant to this section shall  
9 not be transferable.

10 (m) *The authority shall notify the taxpayer within 45 days of*  
11 *either a denial of the tax credit certificate application or an award*  
12 *of a tax credit certificate.*

13 ~~(m)~~

14 (n) This ~~section~~ *division* shall remain in effect only until  
15 ~~December 1, 2018~~ *January 1, 2020*, 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 a  
23 tax credit certificate pursuant to the Job and Trade Competitiveness  
24 Act (Division 4 (commencing with Section 64140) of Title 6.7 of  
25 the Government Code).

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

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

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

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

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

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

16 (b) For purposes of this section:

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

19 (2) "Exporter" has the same meaning as provided in subdivision  
20 (g) of Section 64141 of the Government Code.

21 (3) "Importer" has the same meaning as provided in subdivision  
22 (j) of Section 64141 of the Government Code.

23 (4) "Increased exports or imports" means the difference between  
24 the amount of exports and imports, whether measured by tons or  
25 dollars, in *a the* current taxable year and the preceding taxable year  
26 *if the current taxable year has a greater amount of exports or*  
27 *imports.*

28 (5) "Tax credit certificate" has the same meaning as provided  
29 in subdivision (m) of Section 64141 of the Government Code.

30 (c) The aggregate amount of ~~the~~ credit allowed to a taxpayer  
31 under this section and Sections 17053.65 and 17053.66 shall be  
32 no more than two hundred fifty thousand dollars (\$250,000) for a  
33 taxable year and shall be limited to the amount specified in the tax  
34 credit certificate issued to the taxpayer pursuant to the Job and  
35 Trade Competitiveness Act (Division 4 (commencing with Section  
36 64140) of Title 6.7 of the Government Code).

37 (d) In the event that the authority notifies the Franchise Tax  
38 Board of any amounts of a tax credit certificate that were  
39 erroneously awarded and were canceled pursuant to subdivision  
40 ~~(k)~~(j) of Section 64142 of the Government Code, those amounts

1 shall not be allowed as a credit, and any previously allowed credit  
2 shall be recaptured. The taxpayer shall be liable for any increase  
3 in tax attributable to the recapture of any credit previously allowed  
4 under this section.

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

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

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

13 17053.65. (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 “net  
16 tax,” as defined in Section 17039, to an exporter or importer that  
17 has been awarded a tax credit certificate pursuant to the Job and  
18 Trade Competitiveness Act (Division 4 (commencing with Section  
19 64140) of Title 6.7 of the Government Code), in an amount equal  
20 to three 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 *Section 64141* of the Government  
32 Code.

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

35 (c) The aggregate amount of the credit allowed to a taxpayer  
36 under this section and Sections 17053.60 and 17053.66 shall be  
37 no more than two hundred fifty thousand dollars (\$250,000) for a  
38 taxable year and shall be limited to the amount specified in the tax  
39 credit certificate issued to the taxpayer pursuant to the Job and

1 Trade Competitiveness Act (Division 4 (commencing with Section  
2 64140) of Title 6.7 of the Government Code).

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

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

15 (f) This section shall remain in effect only until December 1,  
16 2018, and as of that date is repealed.

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

19 17053.66. (a) For each taxable year beginning on or after  
20 January 1, 2013, and before January 1, 2018, and subject to  
21 subdivision (c), there shall be allowed as a credit against the “net  
22 tax,” as defined in Section 17039, to an exporter or importer that  
23 has been awarded a tax credit certificate pursuant to the Job and  
24 Trade Competitiveness Act (Division 4 (commencing with Section  
25 64140) of Title 6.7 of the Government Code), in an amount of up  
26 to, but not to exceed, 2 percent of the total capital costs for a cargo  
27 facility constructed in California by an exporter or importer during  
28 a taxable year, ~~in a taxable year~~.

29 (b) For purposes of this section:

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

32 (2) “Capital costs” has the same meaning as provided in  
33 subdivision (c) of *Section 64141* the Government Code.

34 (3) “Cargo facility” has the same meaning as provided in  
35 subdivision (d) of *Section 64141* of the Government Code.

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

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

1 (6) “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 17053.60 and 17053.65 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 the Job and  
8 Trade Competitiveness Act (Division 4 (commencing with Section  
9 64140) of Title 6.7 of the Government Code).

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

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

22 (f) This section shall remain in effect only until December 1,  
23 2018, and as of that date is repealed.

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

26 23660. (a) (1) For each taxable year beginning on or after  
27 January 1, 2013, and before January 1, 2018, and subject to  
28 subdivision (c), there shall be allowed as a credit against the “tax,”  
29 as defined in Section 23036, an amount specified in paragraph (2),  
30 to an exporter or importer that has been awarded a tax credit  
31 certificate pursuant to the Job and Trade Competitiveness Act  
32 (Division 4 (commencing with Section 64140) of Title 6.7 of the  
33 Government Code).

34 (2) (A) If an exporter or importer imported or exported during  
35 the preceding taxable year, the credit amount will be determined  
36 as follows:

37 (i) The amount of credit allowed for an exporter or importer  
38 that increases exports or imports through ports in California shall  
39 be three dollars and twelve and one-half cents (\$3.125) per ton of

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

3 (ii) The amount of credit allowed for an exporter or importer  
4 that increases exports or imports through airports in California  
5 shall be one thousand dollars (\$1,000) for each ten thousand dollars  
6 (\$10,000) of increased exports and imports through airports in  
7 California in a taxable year attributable to the exporter or importer.

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

11 (i) The amount of credit allowed for an exporter or importer  
12 that exports or imports 400,000 or more tons through ports in  
13 California in a taxable year shall be three dollars and twelve and  
14 one-half cents (\$3.125) per ton of exports and imports through  
15 ports in California in a taxable year attributable to the exporter or  
16 importer.

17 (ii) The amount of credit allowed for an exporter or importer  
18 that exports or imports two hundred fifty thousand dollars  
19 (\$250,000) or more through airports in California shall be one  
20 thousand dollars (\$1,000) for each ten thousand dollars (\$10,000)  
21 of exports and imports through airports in California in a taxable  
22 year attributable to the exporter or importer.

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) “Increased exports or imports” means the difference between  
31 the amount of exports and imports, whether measured by tons or  
32 dollars, in a *the* current taxable year and the preceding taxable year  
33 *if the current taxable year has a greater amount of exports or*  
34 *imports.*

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

37 (c) The aggregate amount of credit allowed to a taxpayer under  
38 this section and Sections 23665 and 23666 shall be no more than  
39 two hundred fifty thousand dollars (\$250,000) for a taxable year  
40 and shall be limited to the amount specified in the *tax* credit

1 certificate issued to the taxpayer pursuant to the Job and Trade  
2 Competitiveness Act (Division 4 (commencing with Section 64140)  
3 of Title 6.7 of the Government Code).

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

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

16 (f) This section shall remain in effect only until December 1,  
17 2018, and as of that date is repealed.

18 SEC. 6. Section 23665 is added to the Revenue and Taxation  
19 Code, to read:

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

30 (b) For purposes of this section:

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

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

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

37 (4) “Qualified full-time employee” has the same meaning as  
38 provided in subdivision (k) of *Section 64141* of the Government  
39 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 23660 and 23666 shall be no more  
5 than two hundred fifty thousand dollars (\$250,000) for a taxable  
6 year and shall be limited to the amount specified in the tax credit  
7 certificate issued to the taxpayer pursuant to the Job and Trade  
8 Competitiveness Act (Division 4 (commencing with Section 64140)  
9 of Title 6.7 of the Government Code).

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

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

22 (f) This section shall remain in effect only until December 1,  
23 2018, and as of that date is repealed.

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

26 23666. (a) For each taxable year beginning on or after January  
27 1, 2013, and before January 1, 2018, and subject to subdivision  
28 (c), there shall be allowed as a credit against the “tax,” as defined  
29 in Section 23036, to an exporter or importer that has been awarded  
30 a tax credit certificate pursuant to the Job and Trade  
31 Competitiveness Act (Division 4 (commencing with Section 64140)  
32 of Title 6.7 of the Government Code), in an amount of up to, but  
33 not to exceed, 2 percent of the total capital costs for a cargo facility  
34 constructed in California by an exporter or importer during a  
35 taxable year, ~~in a taxable year.~~

36 (b) For purposes of this section:

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

39 (2) “Capital costs” has the same meaning as provided in  
40 subdivision (c) of *Section 64141* of the Government Code.

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

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

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

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

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

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

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

28 (f) This section shall remain in effect only until December 1,  
29 2018, and as of that date is repealed.

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

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