

Introduced by Senators Liu and DeSaulnier
(Coauthors: Senators Mitchell, Padilla, and Wolk)
(Coauthors: Assembly Members Bonilla and Dickinson)

February 20, 2014

An act to add Section 17052.1 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1189, as introduced, Liu. Income tax: credit: earned income.

The Personal Income Tax Law allows various credits against the taxes imposed by that law, including certain credits that are allowed in modified conformity to credits allowed by federal income tax laws.

This bill would, for taxable years beginning on or after January 1, 2015, allow a credit based upon earned income that is equal to 15% of the earned income tax credit allowed by federal law.

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 17052.1 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 17052.1. (a) For each taxable year beginning on or after
- 4 January 1, 2015, there shall be allowed a credit against the "net
- 5 tax," as defined by Section 17039, an amount computed by
- 6 multiplying the "federal earned income credit amount," as defined
- 7 in subdivision (b), by 15 percent.

1 (b) For purposes of this section, “federal earned income credit
2 amount” means the amount determined under Section 32 of the
3 Internal Revenue Code, as that section reads as amended by Public
4 Law 112-240.

5 SEC. 2. This act provides for a tax levy within the meaning of
6 Article IV of the Constitution and shall go into immediate effect.

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