

**Assembly Committee on  
Revenue and Taxation**

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**California State Legislature**

**Revenue and Taxation  
Legislative Summary  
2019**



**Honorable Autumn R. Burke, Chair**

**Honorable William Brough, Vice Chair**

**December 2019**

# ASSEMBLY COMMITTEE ON REVENUE AND TAXATION

## 2019 LEGISLATIVE SUMMARY

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**2019**

## **LEGISLATIVE SUMMARY**

The following is a list of tax-related legislation that the Legislature considered during the first year of the 2019-2020 Legislative Session. The measures are listed in numerical order, with 2019 chapter numbers provided, and the provisions of each bill are briefly summarized. The list also includes introduced bills that did not reach the Assembly Floor, as well as bills adopted by the Legislature but vetoed by the Governor.

This publication is intended to be a useful summary of the Legislature's work in the area of revenue and taxation during 2019. An electronic copy of this document is also available under "Publications" on the Revenue and Taxation Committee's Web page at [www.assembly.ca.gov](http://www.assembly.ca.gov).

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# ASSEMBLY COMMITTEE ON REVENUE AND TAXATION

## 2019 LEGISLATIVE SUMMARY

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## ASSEMBLY BILLS

### **AB 10 (Chiu) - Income Taxes: Credit Low-Income Housing: Farmworker Housing**

Removes the requirement that the additional Low-Income Housing Tax Credit allocations, provided by AB 101 (Committee on Budget), Chapter 159, Statutes of 2019, are only available if the Budget Act or other measure providing for appropriations related to the Budget Act specifies an amount available for allocation that calendar year. This bill also deletes the requirement for the California Tax Credit Allocation Committee to adopt regulatory reforms aimed at increasing production and containing costs for the increase to be effective. AB 10 was substantially amended on August 12<sup>th</sup> after many of its provisions were incorporated into AB 101.

Status: Held on the Senate Appropriations Committee's Suspense File.

### **AB 18 (Levine) - Firearms and Ammunition: Excise Tax**

Imposes an excise tax on retailers equal to \$25 per firearm on the sale in California of a handgun, semiautomatic rifle, or shotgun sold as new, as provided. This bill imposes an additional excise tax on retailers equal to an unspecified percentage of the gross receipts from any sale of ammunition. Revenues collected would be deposited in a newly established CalVIP Firearm and Ammunition Tax Fund.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

### **AB 24 (Burke) - Personal Income Taxes: Targeted Child Tax Credit**

Creates the Targeted Child Tax Credit for qualified taxpayers equal to the difference between a qualified taxpayer's net resources and 50 percent of the California Poverty Measure in the taxpayer's county of residence based on household size, which is refundable upon a future appropriation by the Legislature and paid in monthly installments.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

### **AB 31 (C. Garcia) - Sales and Use Taxes: Exemption: Sanitary Napkins: Tampons: Menstrual Sponges and Menstrual Cups**

Establishes a temporary sales and use tax exemption for tampons, sanitary napkins, menstrual sponges, and menstrual cups. This bill sunsets the exemption on January 1, 2025.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 37 (Jones-Sawyer) - Personal Income Taxes: Deductions: Business Expenses: Commercial Cannabis Activity**

Specifies, under the Personal Income Tax Law, that the federal disallowance of tax expenditures related to the illegal sale of drugs shall not apply to licensees engaged in commercial cannabis activities in California. This provision, in turn, applies to taxable years beginning on or after January 1, 2020, and before January 1, 2025.

Status: Chapter 792, Statutes of 2019.

**AB 66 (Gonzalez) - Sales and Use Taxes: Exemption: Diapers**

Provides a complete but temporary sales and use tax exemption for diapers designed, manufactured, processed, fabricated, or packaged for use by infants and toddlers. Under this bill, the exemption sunsets on January 1, 2025. Additionally, AB 66 requires the Legislative Analyst's Office to review the effectiveness of the tax exemption.

Status: Assembly Appropriations Committee, not set for hearing.

**AB 133 (Quirk-Silva) - Property Tax Postponement**

Increases the Property Tax Postponement Program income eligibility threshold for homeowners who are age 62 or over, blind, or disabled from \$35,500 to \$45,000; and increases the threshold annually thereafter with an inflation adjustment. Also, this bill reduces the interest rate charged on loans for postponed property taxes from seven percent to five percent.

Status: Chapter 794, Statutes of 2019.

**AB 136 (Quirk-Silva) - Personal Income Tax Law: Deductions: Charitable Contributions: Business Expenses**

Prohibits taxpayers found guilty in the recent college admissions scandal from benefiting from scheme-related payments claimed as charitable contributions or business expense deductions by retroactively disallowing these deductions on their state income tax returns.

Status: Chapter 511, Statutes of 2019.

**AB 138 (Bloom) - California Community Health Fund**

Imposes a tax on every distributor, as defined, for distributing bottled sugary drinks and concentrate in California, at a rate of \$0.02 per fluid ounce.

Status: Assembly Revenue and Taxation Committee, hearing postponed by author.

**AB 147 (Burke) - Use Taxes: Collection: Retailer Engaged in Business in California: Marketplace Facilitators**

Modernizes California law consistent with the United States Supreme Court holding in *Wayfair*, which allows California to impose a use tax collection duty on remote retailers with specified levels of economic activity in California even if they do not have a physical presence here. Specifically, beginning April 1, 2019, a "retailer engaged in business in this state" includes any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property for delivery in California exceeding \$500,000. Additionally, this bill enacts the Marketplace Facilitator Act, which generally requires marketplace facilitators to collect tax both on their direct sales into California and on sales by marketplace sellers.

Status: Chapter 5, Statutes of 2019.

**AB 152 (Voepel) - Personal Income Taxes: Gross Income: Exclusion: Student Loan Assistance**

Allows an employee to exclude from gross income amounts paid by an employer on the employee's behalf toward the principal or interest on a qualified education loan.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 153 (Voepel) - Personal Income Taxes: Deduction: Students**

Increases from \$50 to \$500 per month the maximum monthly amount of expenses a taxpayer may claim as a charitable deduction for amounts paid to maintain a K-12 full-time, non-United States student as a member of the taxpayer's household pursuant to a written agreement with a nonprofit organization.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 155 (Voepel) - Personal Income Taxes: Credit: Qualified Principal Residence**

Allows a \$5,000 tax credit to a taxpayer who builds a "qualified principal residence" if building costs are \$350,000 or less.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 176 (Cervantes) - California Alternative Energy and Advanced Transportation Financing Authority: Sales and Use Taxes: Exclusions**

Requires the California Alternative Energy and Advanced Transportation Financing Authority to evaluate a project based on the extent to which the project will create new, or result in the loss of, permanent, full-time jobs in California, including the average and minimum wage for each classification of full-time employees proposed to be hired or not retained.

Status: Chapter 672, Statutes of 2019.

**AB 186 (Cervantes) - Income Taxes: Credits: Apprenticeships**

Provides a tax credit of up to \$1,000 under both the Personal Income Tax and the Corporation Tax laws for each registered apprentice trained by the taxpayer in the taxable year.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 217 (Burke) - Income Taxation: Credits: Exclusions: Federal Conformity**

Enacts the Loophole Closure and Small Business and Working Families Tax Relief Act of 2019. Specifically, this bill revises the calculation factors to increase the California Earned Income Tax Credit (CalEITC) for specified taxpayers. This bill also increases the maximum eligible earned income to \$30,000 for the CalEITC and provides, for each taxable year beginning on or after January 1, 2019, a refundable young child tax credit to qualified taxpayers of up to \$1,000. Finally, this bill conforms, with specified modifications, to various provisions of federal tax law including changes made with the federal Tax Cuts and Jobs Act of 2017.

Status: Assembly Third Reading File.

**AB 234 (Nazarian) - Income Taxes: Credits: Seismic Retrofits**

Allows a credit equal to 30 percent of a qualified taxpayer's "qualified costs" incurred for seismic retrofit construction, as specified.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 250 (Choi) - Minimum Franchise Tax**

Reduces the minimum franchise tax, for taxable years beginning on or after January 1, 2020, based on the gross receipts of the corporation, as specified.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 251 (Patterson) - Personal Income Taxes: Credit: Family Caregiver**

Provides, under the Personal Income Tax Law, a tax credit in an amount equal to 50 percent of the amount paid or incurred by a family caregiver during the taxable year for eligible expenses, and limits the credit to \$5,000 regardless of the type of return.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 263 (Burke) - Taxation: Tax Expenditures: Information**

Extends the requirements in Revenue and Taxation Code Section 41 to all tax expenditure measures under the Personal Income Tax Law, the Corporation Tax Law, and the Sales and Use Tax Law introduced on or after January 1, 2020.

Status: Chapter 743, Statutes of 2019.

**AB 264 (Melendez) - Income Taxes: Credits: Development Impact Fees**

Allows a 100 percent tax credit to qualified taxpayers for the payment of development impact fees and connection fees applied to newly constructed single-family and multifamily homes.

Status: Assembly Revenue and Taxation Committee, hearing cancelled by Committee.

**AB 266 (Choi) - Income Taxes: Credits: Attic Vent Closures**

Allows a tax credit for taxable years beginning on or after January 1, 2020, and before January 1, 2025, to a qualified taxpayer that installs an attic vent closure in a residential property in an amount equal to 40 percent of the qualified costs paid or incurred by the qualified taxpayer during the taxable year for the installation.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 279 (Burke) - Personal Income Taxes: Credit: Food Banks: Donated Fresh Fruits and Vegetables**

Changes the Franchise Tax Board's reporting date requirements to the Legislature regarding the utilization of the donated fresh fruit and vegetables tax credit from on or before December 1, 2019, and each December 1 thereafter until January 1, 2021, to on or before July 1, 2020.

Status: Assembly Revenue and Taxation Committee, not set for hearing.

**AB 280 (Burke) - Hazardous Materials: Fees**

Provides that various hazardous waste fees are due and payable to the California Department of Tax and Fee Administration within 45 days after the date of assessment.

Status: Assembly Revenue and Taxation Committee, not set for hearing.

**AB 282 (Voepel) - Personal Income Taxes: Credit: Qualified Principal Residence**

Allows a \$1,000 tax credit to any taxpayer who purchases a "qualified principal residence" that is a newly constructed single-family residence.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 286 (Bonta) - Taxation: Cannabis**

Reduces the excise tax rate on cannabis and cannabis products from 15 percent to 11 percent, and suspends the imposition of the cultivation tax, on or after the operative date of this bill and before June 1, 2022.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 308 (Muratsuchi) - Taxation: Corporations: Minimum Franchise Tax: Limited Liability Companies: Annual Tax**

Reinstates the \$800 annual tax exemption provided to a limited liability company or a corporation solely owned by a deployed member of the Armed Forces for taxable years beginning on or after January 1, 2020, and before January 1, 2030.

Status: Chapter 421, Statutes of 2019.

**AB 321 (Patterson) - Sales and Use Taxes: Exemptions: Trucks for Use in Interstate or Out-of-State Commerce**

Broadens the sales and use tax exemption available for new or remanufactured trailers and semitrailers delivered in California to a purchaser for use in interstate or foreign commerce, to include new, used, or remanufactured trucks.

Status: Chapter 226, Statutes of 2019.

**AB 347 (Choi) - Preschool: Privately Funded Pilot Program: Tax Credits**

Allows a tax credit equal to 40 percent of the amount contributed by a taxpayer to the California Preschool Investment Fund (which this bill creates) to provide funding to state preschool services in five selected counties under a pilot program. This bill requires the California Department of Education to select the counties, administer the Program, and allocate available tax credits limited to \$250 million annually.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 348 (Choi) - Personal Income Tax: Credit: Qualified Teacher: School Supplies**

Creates a personal income tax credit of up to \$250 for new teachers who purchase instructional materials and school supplies.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 350 (Choi) - Personal Income Taxes: Deduction: 529 College Savings Plans: Contributions**

Allows a deduction under the Personal Income Tax Law for contributions made to a qualified tuition program, as specified.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 364 (Calderon) - Annual Tax: Exemption**

Eliminates the minimum annual tax for a new, small business that is a limited partnership or a limited liability company in its first taxable year, as specified.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 399 (Brough) - Taxation: Renters' Credit**

Increases the renters' credit for a qualified renter to \$240 for spouses filing joint returns, heads of household, and surviving spouses if their adjusted gross income is \$100,000 or less, and to an amount equal to \$120 for other individuals if their adjusted gross income is \$50,000 or less.

Status: Assembly Revenue and Taxation Committee, hearing postponed by author.

**AB 405 (B. Rubio) - Sales and Use Taxes: Exemption: Water Treatment**

Provides an exemption from the Sales and Use Tax Law for chemicals and other agents used by a city, county, public utility, and sanitation district to treat water, recycled water, or wastewater, regardless of whether those chemicals or other agents become a component part thereof and regardless of whether the treatment takes place before or after delivery to consumers.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 416 (Fong) - Personal Income Taxes: Deductions: CalABLE Contributions**

Provides an above-the-line deduction for contributions made to a California Achieving a Better Life Experience Act account.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 427 (Brough) - Personal Income Taxes: Exclusion: Uniformed Services: Retirement Pay**

Excludes from gross income a tiered percentage of military retirement pay starting at 50 percent and growing to 100 percent over a period of years.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 492 (Nazarian) - Property Tax Assistance: Eligibility**

Expands the unfunded Homeowners and Renters Assistance program limited to individuals who are blind, disabled, or over the age of 62 to all income-eligible individuals but also limits assistance eligibility to individuals with household incomes of no more than \$30,000, as adjusted annually.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 533 (Holden) - Income Taxes: Exclusion: Turf Removal Water Conservation Program**

Extends, by five years, the sunset date for the existing gross income exclusion applicable to rebates, vouchers, or other financial incentives issued by a local water agency or supplier for participation in a turf removal water conservation program.

Status: Assembly Appropriations Committee, hearing postponed by Committee.

**AB 535 (Brough) - Personal Income Taxes: Credit: Professional License Fees**

Allows a credit for each taxable year beginning on or after January 1, 2020, and before January 1, 2025, in an amount equal to the cost paid or incurred during the taxable year for an initial professional license fee.

Status: Assembly Revenue and Taxation Committee, hearing cancelled by author.

**AB 576 (Nazarian) - State Board of Equalization: Transfer of Duties**

Implements ACA 2 (Nazarian) by transferring the remaining powers, duties, and responsibilities of the State Board of Equalization to the California Department of Tax and Fee Administration and the Office of Tax Appeals, as provided.

Status: Assembly Appropriations Committee, hearing postponed by Committee.

**AB 608 (Petrie-Norris) - Property Taxation: Exemption: Low-Value Properties**

Extends to all possessory interests the \$50,000 value limit under which a county board of supervisors is authorized to exempt a possessory interest from property tax when administrative costs will outweigh revenues and addresses the inclusion of low value exempt property on the assessment roll.

Status: Chapter 92, Statutes of 2019.

**AB 614 (Eggman) - Income Taxes: Credits: Food Banks**

Expands the existing tax credit program under the Personal Income Tax and Corporation Tax Laws for contributions to food banks of fresh fruits or fresh vegetables by qualified taxpayers to include qualified donations of specified food items, raw agricultural products, and processed foods.

Status: Chapter 431, Statutes of 2019.

**AB 717 (Nazarian) - Public Contracts: Armored Courier Services**

Allows a state agency, in consultation with the California State Treasurer's Office, to contract with an armored car service provider to pick up, count and transport to a bank or financial institution cash remits of state-imposed taxes or fees from participating businesses, including cannabis-related ones.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 723 (Quirk) - Transactions and Use Taxes: County of Alameda: Santa Cruz Metropolitan Transit District**

Provides that, notwithstanding the combined rate limit under the Transactions and Use Tax Law, neither a transaction and use tax rate imposed by the County of Alameda, nor a transactions and use tax rate imposed by the San Francisco Bay Area Rapid Transit District on or before the effective date of this bill, will be considered for purposes of that combined rate limit within the County of Alameda. Additionally, this bill provides that a transactions and use tax rate imposed by the Santa Cruz Metropolitan Transit District on or before the effective date of this bill will not be considered for purposes of that combined rate limit.

Status: Chapter 747, Statutes of 2019.

**AB 736 (Irwin) - Taxation: Savings Plans: Qualified ABLE Program**

Conforms to federal law, which allows for amounts from a qualified tuition program, also known as a 529 account, to be rolled over to an Achieving a Better Life Experience account without penalty.

Status: Senate Governance and Finance Committee, hearing cancelled by Committee.

**AB 745 (Petrie-Norris) - Sales and Use Taxes: Exemption: Retail Hydrogen Vehicle Fuel**

Establishes a sales and use tax exemption for "retail hydrogen vehicle fuel".

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 777 (Patterson) - Property Tax Postponement**

Revises the income eligibility threshold for a homeowner to qualify for the Property Tax Postponement Program from \$35,500 statewide to a variable county-specific "very low-income" threshold adjusted for household size.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 784 (Mullin) - Sales and Use Taxes: Exemption: California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: Transit Buses**

Enacts a partial sales and use tax exemption for zero-emission transit buses sold to local public agencies eligible for the California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program.

Status: Chapter 684, Statutes of 2019.

**AB 791 (Gabriel) - Income Taxes: Credits: Low-Income Housing: Qualified Opportunity Zone**

Provides a \$100 million credit to maintain affordable housing units located in Opportunity Zones, and creates a new \$200 million LIHTC set aside to encourage additional creation of low-income housing units within Opportunity Zones.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 832 (Gipson) - Income Taxes: Credits: Qualified Developer: Affordable Housing**

Provides a credit, under the Personal Income Tax Law and the Corporation Tax Law, equal to 50 percent of funds contributed by a taxpayer to a "qualified developer" for the development of a "qualified project," not to exceed \$250,000.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 850 (Lackey) - Social Workers: Student Loan Repayment Program**

Establishes the California Social Worker Student Loan Repayment Program within the Office of Statewide Health Planning and Development, and provides a gross income exclusion for a loan repayment award received as part of this Program.

Status: Assembly Revenue and Taxation Committee, hearing cancelled by author.

**AB 856 (Brough) - Personal Income Tax: Credit: Home Care Services**

Allows a credit, under the Personal Income Tax Law, equal to 25 percent of the amount paid or incurred during the taxable year, not compensated for by insurance or otherwise, by a "qualified taxpayer" for "home care services", not to exceed \$5,000.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 872 (Aguiar-Curry) - Property Taxation: Change in Ownership: Parent-to-Child Transfer: Stock**

Creates a property tax change in ownership exclusion in the case of a parent to child transfer of stock in a qualified corporation following the last surviving parent's death limited in scope to the parents' residence and the parcel of land upon which the home is located provided that: (1) the residence has continuously served as the child's home, and (2) the property's assessed value does not exceed \$1 million.

Status: Chapter 685, Statutes of 2019.

**AB 938 (R. Rivas) - Sales and Use Taxes: Exclusion: Low-Emission Motor Vehicle: Trade-In**

Provides a partial Sales and Use Tax exclusion for the purchase of a qualified motor vehicle that occurs before January 1, 2025.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 953 (Ting) - Cannabis: State and Local Taxes: Payment by Digital Asset**

Allows the legislative body of a city or the board of supervisors of a county to determine and implement a method by which a licensee under the Medicinal and Adult-Use Cannabis Regulation and Safety Act may remit any city or county cannabis license tax amounts due by payment using stablecoins. AB 953 also requires the California Department of Tax and Fee Administration to implement a method by which a licensee may remit any cannabis excise tax or cannabis cultivation tax amounts due by payment using stablecoins.

Status: Assembly Banking and Finance Committee, not set for hearing.

**AB 978 (Petrie-Norris) - Personal Income Taxes: Credit for Taxes Paid**

Requires that the characterization of a tax be determined by the actual method used by the taxpayer to calculate the tax without regard to other methods allowed by the other state.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 984 (Lackey) – Personal Income Tax: Voluntary Contributions: Suicide Prevention Voluntary Tax Contribution Fund**

Authorizes the addition of the Suicide Prevention Voluntary Tax Contribution Fund as a voluntary contribution fund on the personal income tax return.

Status: Chapter 445, Statutes of 2019.

**AB 1027 (Burke) - Income Taxes: California Competes Tax Credit: Private Ownership Share Agreement**

Allows a taxpayer to offer the state an ownership interest in the taxpayer's business as part of the California Competes Tax Credit application process, and allows the Governor's Office of Business and Economic Development to consider the amount of ownership being offered in determining the amount of credit allocated to the taxpayer.

Status: Held on the Senate Appropriations Committee's Suspense File.

**AB 1049 (Grayson) - Sale and Use Taxes: Exemption: All Volunteer Fire Department: Equipment**

Provides, on and after January 1, 2020, a complete sales and use tax exemption for "equipment" purchased for exclusive use by an "all volunteer fire department" for firefighting.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 1109 (Fong) - Preschool: Privately Funded Pilot Program: Tax Credits**

Allows a tax credit equal to 40 percent of the amount contributed by a taxpayer to the California Preschool Investment Fund (which this bill creates) to provide funding to state preschool services in five selected counties under a pilot program. This bill requires the California Department of Education to select the counties, administer the Program, and allocate available tax credits limited to \$250 million annually.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 1120 (Cunningham) - Sales and Use Taxes: Exemptions: Oak Barrels**

Exempts from the sales and use tax, until January 1, 2025, the gross receipts from the purchase of a new or used oak barrel if the oak barrel is for the purpose of incorporating oak into a distilled spirit.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 1169 (Frazier) - Personal Income Taxes: Credit: Employer: Qualified Wages**

Creates a 40 percent-income tax credit under the Personal Income Tax Law for qualified wages paid by employers who hire qualified individuals with disabilities for the first 12 months capped at \$6,000 per employee.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 1206 (Choi) - Income Tax Credits: Leased or Rented Property: Persons Receiving Housing Services or Assistance**

Provides a credit, under the Personal Income Tax Law and the Corporation Tax Law, to a taxpayer that owns "qualified property" leased or rented to "qualified persons" at below market rates in the amount of \$500 per unit, but not to exceed \$5,000.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 1228 (Calderon) - Income Taxes: Credits: Compostable Cutlery**

Provides an income tax credit equal to 20 percent of the costs paid or incurred during the taxable year by a qualified taxpayer for the purchase of compostable cutlery.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 1257 (Salas) - Sales and Use Taxes: Exemption: Vehicle Modifications: Physically Handicapped Persons: Veterans**

Expands the existing sales and use tax exemption for materials used to modify a vehicle for physically handicapped persons by including within the definition of "physically handicapped persons" individuals with a severe burn injury, as defined.

Status: Chapter 317, Statutes of 2019.

**AB 1258 (Salas) - Personal Income Taxes: Exclusion: Servicemembers**

Excludes from the Personal Income Tax Law any income from any source a servicemember receives while on active duty in this state and, upon honorable discharge, for an additional time period equal to the length of active duty service anywhere.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 1259 (L. Rivas) - Personal Income Taxes: Corporation Taxes: Credits: California New Markets Tax Credit**

Establishes the California New Markets Tax Credit Program, with the stated purpose of stimulating private sector investment in lower income communities, as specified.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 1296 (Gonzalez) - Joint Enforcement Strike Force on the Underground Economy: Labor Enforcement Tax Force**

Expands the membership, duties, and authority of the Joint Enforcement Strike Force on the Underground Economy by adding the Department of Justice, the California Department of Tax and Fee Administration, and the Franchise Tax Board. AB 1296 also requires the Department of Justice to maintain two multiagency teams as part of the Tax Recovery in the Underground Economy Criminal Enforcement Program, formerly known as the Tax Recovery and Criminal Enforcement Task Force (TRaCE), in Sacramento and Los Angeles; and requires those teams to continue their collaboration for the recovery of lost revenues to the state by investigating and prosecuting criminal offenses in California's underground economy.

Status: Chapter 626, Statutes of 2019.

**AB 1317 (Brough) - Personal Income Taxes: Gross Income Exclusion: Homeownership Savings Accounts**

Establishes a homeownership savings account for qualified low-income taxpayers and excludes from gross income any income earned during the taxable year from a homeownership savings account.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 1326 (Gloria) - Property Taxation: Welfare Exemption: Low-Income Housing**

Deletes a sunset date on a provision that allows the welfare exemption to apply to units occupied by a former lower income household if the occupants were lower income households on the lien date in the fiscal year in which occupancy of the unit commenced and the unit continues to be rent restricted, notwithstanding an increase in the income of the occupants of the unit to 140 percent of area median income.

Status: Assembly Revenue and Taxation Committee, hearing cancelled by Committee.

**AB 1335 (Calderon) - Personal Income Tax: Returns: Financial Aid**

Requires, for taxable years beginning on or after January 1, 2021, the Franchise Tax Board to revise the personal income tax return to allow taxpayers to transmit records to the California Student Aid Commission for the purpose of providing the taxpayer with financial aid estimates for the financing of postsecondary education.

Status: Assembly Revenue and Taxation Committee, hearing cancelled by author.

**AB 1397 (Burke) - Income Taxes: Credit: Railroad in Reconstruction or Replacement**

Provides a tax credit, under the Personal Income Tax Law and the Corporation Tax Law, to a "qualified taxpayer" equal to 50 percent of "qualified railroad reconstruction or replacement expenditures."

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 1453 (Chiu) - Property Tax: Welfare Exemptions: Rental Housing and Related Facilities**

Expands the low-income rental housing property tax exemption for property owned by limited partnerships financed with both low-income housing tax credits and historic tax credits, as specified, and authorizes the refund and cancellation of taxes on such "low income historical housing" located in the City and County of San Francisco.

Status: Assembly Revenue and Taxation Committee, hearing cancelled by author.

**AB 1468 (McCarty) - Opioid Prevention and Rehabilitation Act**

Requires the Department of Public Health to calculate the ratable share of a manufacturer or wholesaler, which is the individual portion of the collective sum of \$50 million, to be paid by manufacturers and wholesalers as an opioid stewardship payment, into the continuously appropriated Opioid Prevention and Rehabilitation Program Fund. This bill requires the Department of Public Health to distribute moneys from the Opioid Prevention and Rehabilitation Fund based on applications received from counties and non-profits for purposes of opioid prevention and rehabilitation programs based on needs.

Status: Assembly Third Reading File.

**AB 1542 (Rubio) - Income Taxes: Worker Training Program Tax Credit**

Creates a 30-percent tax credit for employers in specified industries to create a worker training program for their employees capped at \$5,000 per employee per taxable year.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 1569 (Jones-Sawyer) - Sales and Use Tax: Medicinal Cannabis: Veterans**

Provides, on and after January 1, 2020, a complete sales and use tax exemption for medicinal cannabis or medicinal cannabis product purchased by a qualified patient or the primary caregiver of a qualified patient from a medicinal cannabis licensee if that qualified patient or primary caregiver provides an attending physician's recommendation for that qualified patient, a valid state government-issued identification card for that qualified patient, and a valid Veteran Health Identification Card for that qualified patient.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**AB 1593 (Reyes) - Personal Income Taxes: Earned Income Credit**

Expands the California Earned Income Tax Credit to include taxpayers and qualifying children with a federal individual taxpayer identification number instead of a Social Security number, as specified.

Status: Senate Governance and Finance Committee, hearing cancelled by author.

**AB 1606 (Gray) - University of California: School of Medicine: San Joaquin Valley Regional Campus Medical Education Endowment Fund**

Disallows the deduction for wagering losses and requires the State Controller to transfer from the General Fund to the University of California, San Francisco, San Joaquin Valley Regional Campus Medical Education Endowment Fund the amount, as estimated by the Franchise Tax Board in consultation with the Department of Finance, received by the state as a result of the deduction's elimination until the amount of \$500 million has been reached in the Endowment Fund.

Status: Assembly Third Reading File.

**AB 1682 (Wicks) - Personal Income Taxes: Caregiver Tax Credit**

Creates a refundable caregiver tax credit of \$1,200 under the Personal Income Tax Law for income-qualified taxpayers who provide uncompensated care to qualified dependents, as specified. AB 1682 applies to taxable years beginning on or after January 1, 2019, and before January 1, 2024.

Status: Assembly Revenue and Taxation Committee, hearing cancelled by author.

**AB 1726 (Arambula) - Income Taxes: California Work Opportunity Tax Credit**

Provides, for each taxable year beginning on or after January 1, 2020, and before January 1, 2025, a California work opportunity tax credit, under both the Personal Income Tax Law and the Corporation Tax Law, to a qualified employer in an amount equal to an amount determined in accordance with the requirements of the federal work opportunity tax credit, except as otherwise provided.

Status: Currently on the Assembly Appropriations Committee's Suspense File.

**AB 1734 (Chiu) - Property Taxation: Welfare Exemption: Rental Housing: Moderate-Income Housing**

Creates a property tax exemption for qualified rental housing occupied by moderate-income households.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 1776 (Levine) - Sales and Use Taxes: Exemptions: Newspapers**

Provides a complete sales and use tax exemption for any newspaper regularly issued at average intervals not exceeding three months or any tangible personal property that becomes an ingredient or component part of the newspaper.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**AB 1791 (Boerner Horvath) - Informational Returns**

Requires a person who files a Form 1099 with respect to a nonresident who performed services within the state and a person required to file a Form 6050W to file a duplicate of that form, respectively, with the Franchise Tax Board, under specified circumstances. Additionally, this bill requires a third-party settlement organization to report to the Franchise Tax Board, and any participating payee with an address within California, any information required by Internal Revenue Code Section 6050W with respect to the third-party network transactions related to that participating payee, as provided; and lowers the de minimis threshold for that information, as provided.

Status: Assembly Revenue and Taxation Committee, not set for hearing.

**ACA 2 (Nazarian) - State Tax Agency**

Abolishes the State Board of Equalization and instead requires the Legislature to create a state tax agency by statute for purposes of carrying out those powers, duties, and responsibilities previously vested in the State Board of Equalization by the California Constitution and by statute.

Status: Assembly Revenue and Taxation Committee, not set for hearing.



## SENATE BILLS

### **SB 9 (Beall) - Income Taxes: Low-Income Housing Credits: Allocation: Sale of Credits**

Eliminates the sunset on the authority for partnership agreements formed to construct affordable housing to allocate state tax credits to investors in a manner that differs from the proportional division of the federal credit, and removes the sunset date on the authority for taxpayers to sell credits.

Status: Assembly Housing and Community Development Committee, hearing cancelled by author.

### **SB 34 (Wiener) - Cannabis: Donations**

Temporarily exempts from the use tax the storage, use, or other consumption in California of medicinal cannabis or medicinal cannabis products that are donated, for no consideration, under specified circumstances. In addition, this bill temporarily prohibits the cultivation tax from being imposed on medicinal cannabis designated for donation by a cultivator in the track and trace system. Finally, this bill provides that existing law shall not be construed to impose an excise tax upon medicinal cannabis, or medicinal cannabis products, donated for no consideration to a medicinal cannabis patient, as specified.

Status: Chapter 837, Statutes of 2019.

### **SB 43 (Allen) – Carbon Intensity and Pricing: Retail Products**

Requires the State Air Resources Board to study and submit a report to the Legislature on the feasibility of calculating the carbon intensity of all retail products subject to the Sales and Use Tax Law.

Status: Assembly Revenue and Taxation Committee, failed passage, reconsideration granted.

### **SB 63 (Hertzberg) – Personal Income Tax Law: Exclusion: Student Loan Debt Forgiveness**

Provides, under the Personal Income Tax Law, an exclusion from gross income for student loans that are forgiven when the borrower is unable to complete a program of study because the school closes or does something wrong. The gross income exclusion is primarily focused on students impacted by the abrupt closures of Brightwood and Art Institute Colleges.

Status: Chapter 468, Statutes of 2019.

**SB 196 (Beall) – Property Taxes: Community Land Trust**

Creates a property tax exemption for community land trust-owned property that will be developed into housing for income-qualified households.

Status: Chapter 669, Statutes of 2019.

**SB 248 (Glazer) – Taxation: Renters' Credit**

Increases the renter's credit amount for a qualified renter to \$220 and \$434, as provided. This increase would apply for taxable years beginning on or after January 1, 2020, and before January 1, 2025, and only when specified in a bill relating to the Budget Act.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**SB 295 (McGuire) – Personal Income Taxes: Fire Safe Home Tax Credits**

Creates two 50-percent tax credits under the Personal Income Tax Law for qualified homeowners who live in moderate, high, or very high fire hazard severity zones who incur expenses for vegetation management and/or make qualified home hardening improvements.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**SB 309 (Rubio): Personal Income Tax: California Senior Citizen Advocacy Voluntary Tax Contribution Fund**

Eliminates the requirement that the California Senior Citizen Advocacy Voluntary Tax Contribution Fund (Fund) meet a minimum contribution amount for the Fund to appear on the personal income tax return the following year, thereby allowing the Fund to remain on the return until the Fund's statutory provisions repeal, pursuant to existing law, on January 1, 2025.

Status: Chapter 325, Statutes of 2019.

**SB 344 (McGuire) – Local Prepaid Mobile Telephony Services Collection Act**

Extends the Local Prepaid Mobile Telephony Services Collection Act sunset date by one year to January 1, 2021.

Status: Chapter 642, Statutes of 2019.

**SB 364 (Stone) – Property Taxation: Senior and Disabled Veterans**

Eliminates the annual maximum two-percent inflation adjustment applied to the assessed value of a home owned by a veteran who is age 65 or older and whose income does not exceed \$50,000, if single, or \$100,000, if married.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**SB 422 (Hueso) – Income Taxes: Credits: Qualified Employees**

Allows a credit to a qualified taxpayer that hires a qualified full-time employee and pays or incurs qualified wages attributable to work performed by the qualified full-time employee, as specified.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**SB 451 (Atkins) – Personal Income and Corporation Taxes: Credits: Rehabilitation of Certified Historic Structures**

Allows a credit for qualified rehabilitation expenditures incurred by a taxpayer in the rehabilitation of a certified historic structure, in modified conformity with the federal income tax laws, subject to an aggregate annual cap of \$50 million.

Status: Chapter 703, Statutes of 2019.

**SB 477 (Wieckowski) – Personal Income Taxes: Credit: Deduction: Qualified Education Loan**

Allows a credit under the Personal Income Tax Law in an amount equal to the interest paid by the taxpayer during the taxable year on a qualified education loan.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**SB 521 (Portantino) – Income and Corporation Taxes: Credits: Leased or Rented Property: Persons Receiving Section 8 Assistance**

Provides a tax credit for property owners worth three percent of the value of federal housing assistance vouchers received for properties rented to households receiving assistance under Section 8 of the United States Housing Act of 1937 (Section 8 tenants). This credit is available for tax years 2020 through 2024 and a taxpayer may not receive a credit for more than five properties per tax year.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**SB 562 (Morrell) – Property Taxation: Exemption: Principal Residence: Veterans and their Unmarried Surviving Spouses**

Increases the property tax disabled veterans' exemption amounts to \$200,000 or \$250,000 of assessed value and increases to \$65,000 the household income threshold for the higher exemption amount of \$250,000.

Status: Assembly Revenue and Taxation Committee, hearing for testimony only.

**SB 626 (Stern) – Taxation: Minimum Franchise Tax and Annual Tax Exemption: Armed Forces**

Reinstates the \$800 minimum franchise tax and the annual tax exemption for a corporation and a limited liability company that is solely owned by a deployed member of the Armed Forces.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**SB 637 (McGuire) – Personal Income Taxes: Voluntary Contributions: Prevention of Animal Homelessness and Cruelty Voluntary Tax Contribution Fund**

Revises the statutory provisions for the existing voluntary contribution fund dedicated to preventing animal homelessness and cruelty.

Status: Chapter 327, Statutes of 2019.

**SB 663 (Jones) – Property Taxation: Exemptions: Veterans' Organizations**

Expands the property tax "veterans' organization" exemption by removing the restriction on fraternal, lodge, or social club uses of veterans' organization-owned property, excluding the bar area.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**SB 763 (Galgiani) – Personal Income Tax: Gross Income Exclusion: Discharge of Qualified Principal Residence Indebtedness: Federal Disaster Areas**

Provides an exclusion from gross income for the discharge of qualified principal residence indebtedness for a principal residence that is lost within a federally declared disaster area that occurs on or after January 1, 2017, and before January 1, 2019.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**SB 775 (Rubio) – Corporation Taxes: Exempt Organizations: Mutual Ditch or Irrigation Companies: Public Water System: Mutual Water Companies**

Conforms to the federal tax-exempt status of mutual ditch or irrigation companies (mutual water companies) that operate a public water system subject to specified conditions; and creates a gross income exclusion for state-provided funding to all mutual water companies.

Status: Held on the Assembly Appropriations Committee's Suspense File.

**SB 790 (Governance and Finance Committee) – Income Taxes: Partnerships: Audit Adjustments: Elections**

Clarifies when the Franchise Tax Board would be required to grant a partnership's request to make a state election to report federal audit adjustments that is different from its federal election.

Status: Chapter 332, Statutes of 2019.

**SB 791 (Governance and Finance Committee) – Property Taxation: Valuation: Certificated Aircraft**

Changes the method to calculate California's share of total aircraft value owned by commercial air carriers for property tax purposes and re-establishes streamlined administrative procedures for counties and air carriers.

Status: Chapter 333, Statutes of 2019.



## GOVERNOR'S VETOES

### **AB 211 (Calderon) - Personal Income Taxes: Deduction: California Qualified Tuition Program**

Allows an above-the-line deduction under the Personal Income Tax Law for contributions made to a qualified tuition program, as specified.

Governor's veto message:

This bill would allow an income tax deduction for contributions to qualified tuition savings programs, known as 529 plans, for qualified taxpayers.

My Administration is supportive of the underlying goals of increasing affordability and access to higher education for all Californians. In partnership with the Legislature, the 2019 Budget Act made significant investments and expansions in the Cal Grant program. Additionally, the 2019 Budget Act increased provided [*sic*] \$50 million to spur the creation of child savings accounts for every child in Kindergarten through establishing a state-level program in conjunction with the ScholarShare program and through the provision of grants to local governments and nonprofit organizations that sponsor or create local or regional child savings account programs.

While I appreciate the Legislature's intent, a careful balancing of the benefits of the proposed tax deduction in relation to the revenue losses, approximately \$13 million, would be better addressed through the annual budget process.

### **AB 296 (Cooley) - Climate Change: Climate Innovation Grant Program: Voluntary Tax Contributions**

Establishes the Climate Innovation Grant Program, to be administered by the Strategic Growth Council, for the development and research of new innovations and technologies that either reduce emissions of greenhouse gases or address the impacts of climate change. This bill establishes a Climate Innovation Voluntary Tax Contribution Account and authorizes an individual to contribute as part of their state tax return.

Governor's veto message:

This bill establishes the Climate Innovation Grant Program, to be administered by the Strategic Growth Council, for the development and research of new innovations and technologies that either reduce emissions of greenhouse gases or address the impacts of climate change. It also establishes a Climate Innovation Voluntary Tax Contribution Account and authorizes an individual to contribute as part of their state tax return.

I am supportive of the important objective of this legislation to spur technological innovation to mitigate climate change. However, this bill creates a redundant, and potentially conflicting, grant program that overlaps with several existing programs at multiple agencies including the Strategic Growth Council. At this juncture, we should maximize resources with our existing programs rather than create redundancies.

**AB 357 (Nazarian) - Taxation: Tax Liability: Collections**

Provides that, for purposes of triggering the 20-year statute of limitations applicable to the Franchise Tax Board's collection of tax liabilities, the term "tax liability" does not include interest, penalties, costs, or fees, as specified, relating to that assessment of tax.

Governor's veto message:

This bill excludes interest, penalties, costs, or fees from the definition of tax liability, thereby changing the date when the current 20-year statute of limitations on tax collections begins. The bill would apply retroactively to cover any liability due and payable before, on, or after July 1, 2006.

The intent of the bill is to provide some certainty to taxpayers that have longstanding tax liabilities and in some cases, complete relief from those liabilities. However, AB 357 significantly limits the Franchise Tax Boards' ability to collect valid tax liabilities and at a significant cost to the state general fund.

**AB 618 (Stone) - Transactions and Use Taxes: City of Scotts Valley: City of Emeryville**

Allows the Cities of Scotts Valley and Emeryville to adopt an ordinance proposing the imposition of a transactions and use tax that exceeds the two-percent statutory limitation.

Governor's veto message:

The Cities of Emeryville and Scotts Valley have not yet reached the statewide cap of two percent, making it unclear why additional tax authority is needed.

**AB 885 (Irwin) - Property Taxation: New Construction: Definition**

Defines "substantially equivalent" for purposes of the property tax new construction exclusion for reconstructed improvements after a misfortune or calamity occurring on or after January 1, 2017, to create a bright line of up to 120 percent of size or value of the pre-damaged improvements.

Governor's veto message:

This bill creates a bright-line test to determine whether new construction after a misfortune or calamity is substantially equivalent to the replaced structure, and therefore precluded from reassessment for property tax purposes.

When a disaster destroys a home or structure, current law appropriately prohibits the rebuilding cost of that destroyed property from increasing the assessed value for property tax purposes, as long as the rebuilt home is substantially equivalent to the replaced structure. While I understand the intent of this bill is to provide uniformity across counties and to address instances where code standards require updates that may increase the value of the property, AB 885 goes too far.

Ensuring home and other property owners are not faced with additional property tax burdens following a disaster is important. Providing uniformity in this matter is also a laudable goal. However, the proposed bright-line test in AB 885 should be narrowed to address these issues in a manner that minimizes negative impacts on local revenues.

#### **AB 1590 (Rubio) - Personal Income Tax: Credit: Qualified First-Time Homebuyer**

Allows a non-refundable personal income tax credit of up to \$5,000 to low- or moderate-income first-time homebuyers who purchase a principal residence, to be applied over three successive tax years in equal installments, and limited to \$50 million statewide.

Governor's veto message:

This bill would create a nonrefundable tax credit for first-time homebuyers that are low to moderate-income taxpayers.

The State has a significant housing shortage that is increasing housing and rental costs for many Californians. These are issues that my Administration has partnered with the Legislature to address on many fronts, including significant investments in the 2019 budget to spur housing development, as well as landmark rent affordability and renter protection legislation.

The potential costs of the proposed credit would be better addressed in the annual budget process so it can be weighed against other housing production and affordability measures.

#### **SB 294 (Hill) - Property Taxation: Welfare Exemption: Low Income Housing**

Increases the property tax exemption limitation from \$20 million to \$100 million in assessed value and decreases the minimum occupancy threshold from 90 percent to 50 percent that applies to certain low-income rental housing owned by a nonprofit organization if the housing is not receiving government financing or tax credits.

Governor's veto message:

This bill would revise the current property tax welfare exemption for nonprofits that own and operate non-publicly financed affordable housing developments by increasing the current exemption for nonprofits from \$20 million to \$100 million and reducing the current low-income tenancy threshold from 90 percent to 50 percent for ten years. The bill would also allow outstanding unpaid property tax bills to be reduced or potentially forgiven on qualified properties.

While well intended, and specific to certain nonprofit entities that provide affordable housing, this bill makes changes to the property tax welfare exemption that could have significant long-term General Fund costs and reduced local revenue. In addition to tax exemptions under current law, properties that are in need of assistance to maintain long-term affordability have access to a range of state and local preservation financing programs.

Sustaining affordable housing in [a] fiscally responsible manner for the long-term is a goal I share with the Legislature. Although this bill is not the solution, I am committed to working with the Legislature on bolstering existing programs and tailoring them to produce and preserve the State's much needed affordable housing stock.

#### **SB 349 (Portantino) - Minimum Franchise Tax**

Reduces the minimum franchise tax, for taxable years beginning on or after January 1, 2020, and before January 1, 2025, based on the gross receipts of the corporation, as specified.

Governor's veto message:

This bill would reduce the minimum franchise tax for corporations that have less than \$15 million in gross receipts, as specified.

The intent of this measure is to provide tax relief for smaller California businesses and to encourage economic growth. Both are important goals which I support, and helping small businesses is certainly a priority I share with the Legislature. However, this proposal would be better addressed through the annual budget process.

#### **SB 468 (Jackson) - Taxation: Tax Expenditures: California Tax Expenditure Review Board**

Establishes in state government the California Tax Expenditure Review Board as an independent advisory body to comprehensively assess major tax expenditures, as defined, and make recommendations to the Legislature.

Governor's veto message:

The bill creates the California Tax Expenditure Review Board to comprehensively assess specified major tax expenditures and make recommendations to the Legislature.

I support greater transparency with respect to tax credits, exemptions, and other expenditures and believe these items should be scrutinized periodically to justify their overall cost to the state's revenue base. However, creating a new board to accomplish that goal is unnecessary. The Department of Finance is currently required to publish tax expenditure reports and existing law requires new income tax expenditures to specify goals, performance indicators, and data collection requirements.

### **SB 531 (Glazer) - Local Agencies: Retailers**

Prohibits a local agency from entering into an agreement that would result in the rebate of Bradley-Burns Uniform Local Sales and Use Tax Law revenues to any retailer in exchange for the retailer locating or continuing to maintain a place of business within the local agency, as specified.

Governor's veto message:

This bill would prohibit a local agency from entering into any agreement that would result, directly or indirectly, in a rebate of the Bradley-Burns Uniform Local Sales and Use Tax revenues to a retailer that locates or maintains a place of sale within the jurisdiction of that local agency.

Current use of these tax agreements are limited but also an important local tool that captures additional economic activity, particularly in rural and inland California cities that continue to face significant economic challenges like high unemployment rates. Therefore, completely removing these tax options from local decision makers is the wrong approach.

I do support greater oversight with respect to the use of these tax agreements and have signed Assembly Bill 485, which will increase transparency regarding the economic outcomes that result from these types of agreements. This will allow the state to better understand the nature of the agreements between local jurisdictions and businesses, as well as the challenges and obstacles to inclusive growth.

### **SB 577 (Hueso) - California Department of Tax and Fee Administration: State Board of Equalization: Administrative and Personnel Services**

Requires State Board of Equalization staff to provide the California Department of Tax and Fee Administration with information and material needed for the California

Department of Tax and Fee Administration to provide the State Board of Equalization with administrative and personnel services.

Governor's veto message:

This bill requires the Board of Equalization (BOE) to provide information to the California Department of Tax and Fee Administration when requested.

The BOE already lawfully performs the activities that this bill requires; therefore, the bill is unnecessary.

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