

75145

02/05/21 10:16 AM
RN 21 08561 PAGE 1

An act to add and repeal Sections 17158 and 24312 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

SECURED
COPY



210856175145BILL

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 17158 is added to the Revenue and Taxation Code, to read:

17158. (a) For taxable years beginning on or after January 1, 2020, and before January 1, 2030, gross income does not include any of the following grant allocations:

(1) Grant allocations received by a taxpayer pursuant to the COVID-19 Relief Grant that is administered by the Office of Small Business Advocate, is funded by Executive Order No. E 20/21-182, and is described in a letter from the Department of Finance to the Joint Legislative Budget Committee, dated December 17, 2020, entitled, "Disaster Response-Emergency Operations Account Request—Increased Funding for the California Rebuilding Fund and Funding to Support a New COVID-19 Relief Grant for Small Businesses."

(2) Grant allocations received by a taxpayer pursuant to the California Small Business COVID-19 Relief Grants Program established by Section 12100.83 of the Government Code.

(3) Grant allocations received by a taxpayer pursuant to the California Dream Fund Program established in subdivision (j) of Section 12100.63 of the Government Code.

(b) Section 41 shall not apply to the exclusion allowed by this section.

(c) This section shall remain in effect only until December 1, 2030, and as of that date is repealed.

SEC. 2. Section 24312 is added to the Revenue and Taxation Code, to read:

24312. (a) For taxable years beginning on or after January 1, 2020, and before January 1, 2030, gross income does not include any of the following grant allocations:

(1) Grant allocations received by a taxpayer pursuant to the COVID-19 Relief Grant that is administered by the Office of Small Business Advocate, is funded by Executive Order No. E 20/21-182, and is described in a letter from the Department of Finance to the Joint Legislative Budget Committee, dated December 17, 2020, entitled, "Disaster Response-Emergency Operations Account Request—Increased Funding for the California Rebuilding Fund and Funding to Support a New COVID-19 Relief Grant for Small Businesses."

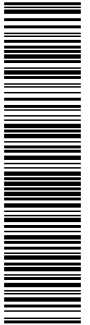
(2) Grant allocations received by a taxpayer pursuant to the California Small Business COVID-19 Relief Grants Program established by Section 12100.83 of the Government Code.

(3) Grant allocations received by a taxpayer pursuant to the California Dream Fund Program established in subdivision (j) of Section 12100.63 of the Government Code.

(b) Section 41 shall not apply to the exclusion allowed by this section.

(c) This section shall remain in effect only until December 1, 2030, and as of that date is repealed.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.

General Subject: Income tax: gross income: exclusion: small business grants.

The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally defines "gross income" as income from whatever source derived, except as specifically excluded, and provides various exclusions from gross income.

This bill would exclude, for taxable years beginning on or after January 1, 2020, and before January 1, 2030, from gross income specified grant allocations, including grant allocations received by a taxpayer pursuant to a grant program funded by Executive Order No. 20/21-182, pursuant to the California Small Business COVID-19 Relief Grants Program, and pursuant to the California Dream Fund Program.

This bill would take effect immediately as a tax levy.

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

