



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

SB-264 Income taxes: deduction: disaster losses. (2023-2024)

SHARE THIS:  

Date Published: 10/02/2023 02:00 PM

Senate Bill No. 264

CHAPTER 285

An act to amend Sections 17207.14 and 24347.14 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor September 30, 2023. Filed with Secretary of State September 30, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 264, Niello. Income taxes: deduction: disaster losses.

The Personal Income Tax Law and the Corporation Tax Law, in conformity or modified conformity with federal income tax laws, allows various deductions in computing the income that is subject to the taxes imposed by those laws, including a deduction, for taxable years beginning on or after January 1, 2014, and before January 1, 2024, for disaster losses in any city, county, or city and county that is proclaimed by the Governor to be in a state of emergency, as specified. Existing law additionally provides that any law that suspends, defers, reduces, or otherwise diminishes the deduction of a net operating loss, other than those variations already imposed in existing law, shall not apply to a net operating loss attributable to these specified disaster losses.

This bill would extend the deduction for disaster losses, as described above, to taxable years beginning before January 1, 2029, and would extend for those taxable years the provision prohibiting any law that suspends, defers, reduces, or otherwise diminishes the deduction of a net operating loss, as described above, from applying to these specified disaster losses.

Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives that the tax expenditure will achieve, detailed performance indicators, and data collection requirements.

This bill would also include additional information required for any bill authorizing a new tax expenditure.

This bill would take effect immediately as a tax levy.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

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

SECTION 1. Section 17207.14 of the Revenue and Taxation Code is amended to read:

17207.14. (a) For taxable years beginning on or after January 1, 2014, and before January 1, 2029, Section 165(i) of the Internal Revenue Code, relating to disaster losses, shall be applicable to any loss sustained as a result of any disaster occurring in any city, county, or city and county in this state that is proclaimed by the Governor to be in a state of emergency.

(b) (1) For losses described in subdivision (a), the election under Section 165(i) of the Internal Revenue Code, relating to disaster losses, may be made on a return or amended return filed on or before the due date of the return, determined with regard to any extension of time for filing the return, for the taxable year in which the disaster occurred.

(2) Notwithstanding Section 18572, this subdivision shall apply to any loss described in subdivision (a).

(c) Unless specifically provided otherwise, any law, other than Section 17276, that suspends, defers, reduces, or otherwise diminishes the deduction of a net operating loss shall not apply to a net operating loss attributable to the loss described in subdivision (a).

(d) (1) For purposes of complying with Section 41, as it applies to the deduction allowed by this section and Section 24347.14, the Legislature finds and declares as follows:

(A) The specific goal, purpose, and objective of the deduction is to support taxpayers whose business or personal property is completely or partially destroyed due to a disaster.

(B) The performance indicator for the Legislature to use in determining if the deduction achieves its stated purpose is the number of taxpayers allowed a deduction pursuant to this section or Section 24347.14.

(2) (A) By May 1, 2025, and annually thereafter, the Franchise Tax Board shall submit a report to the Legislature, in accordance with Section 9795 of the Government Code, detailing the number of taxpayers allowed a deduction pursuant to this section and Section 24347.14.

(B) The disclosure provisions of this paragraph shall be treated as an exception to Section 19542.

(e) This section shall remain in effect only until December 1, 2029, and as of that date is repealed.

SEC. 2. Section 24347.14 of the Revenue and Taxation Code is amended to read:

24347.14. (a) For taxable years beginning on or after January 1, 2014, and before January 1, 2029, Section 165(i) of the Internal Revenue Code, relating to disaster losses, shall be applicable to any loss sustained as a result of any disaster occurring in any city, county, or city and county in this state that is proclaimed by the Governor to be in a state of emergency.

(b) (1) For losses described in subdivision (a), the election under Section 165(i) of the Internal Revenue Code, relating to disaster losses, may be made on a return or amended return filed on or before the due date of the return, determined with regard to any extension of time for filing the return, for the taxable year in which the disaster occurred.

(2) Notwithstanding Section 18572, this subdivision shall apply to any loss described in subdivision (a).

(c) Unless specifically provided otherwise, any law, other than Section 24416, that suspends, defers, reduces, or otherwise diminishes the deduction of a net operating loss shall not apply to a net operating loss attributable to the loss described in subdivision (a).

(d) This section shall remain in effect only until December 1, 2029, 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.