

## Legislature goes home empty-handed

Here is a summary of the key tax-related bills sent to the Governor from the final day of the 2011–12 California legislative session.

**Film Tax Credit Extension:** AB 2026 (Fuentes), which extends the state's film tax credit through July 1, 2017, was approved by the Assembly on a 60-4 vote and was sent to the Governor.

**Tax on Wood Products:** AB 1492 (Assembly Budget Committee) imposes a tax on lumber products and engineered wood products sold in California, at a rate of 1% of gross receipts from the sale of those products.

Key bills that did NOT pass:

**Repeal of Net Operating Loss Carrybacks:** AB 2408 (Skinner), repealing provisions allowing taxpayers to carry back net operating losses for up to two years, was not taken up for vote on the Senate floor, and thus failed. (**Note:** Taxpayers may use NOLs in the 2012 taxable year, as the NOL suspension was not extended.)

**Mandatory Single Sales Factor:** AB 1500 (J. Pérez), mandating use of the single sales factor formula for apportioning business income to California (with revenues earmarked for a new college scholarship program), failed.

**Car Tax Increase:** SB 1455 (Kehoe), extending vehicle registration "fees" that otherwise will expire in 2015 and 2016, to fund vehicle emission reductions, alternative fuels development, and waste tire recycling, and directing the California Energy Commission to allocate funds for the construction of publicly accessible hydrogen fueling stations, failed.