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An act to add Section 17144.8 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.



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

SECTION 1. Section 17144.8 is added to the Revenue and Taxation Code, to read:

17144.8. (a) Section 108(f)(5) of the Internal Revenue Code, relating to discharges on account of death or disability, as added by Section 11031(a) of the federal Tax Cuts and Jobs Act (Public Law 115-97), shall apply except as otherwise provided.

(b) Section 108(f)(5)(A) of the Internal Revenue Code, as added by Section 11031(a) of the federal Tax Cuts and Jobs Act (Public Law 115-97), is modified by substituting the phrase "after December 31, 2018," in lieu of the phrase "after December 31, 2017, and before January 1, 2026."

SEC. 2. 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: Personal Income Tax Law: exclusion: student loan debt: discharge due to death or disability.

The Personal Income Tax Law provides for various exclusions from gross income, including an exclusion for the amount of student loan indebtedness repaid or canceled pursuant to a specified federal law.

This bill would exclude from an individual's gross income the amount of student loan indebtedness discharged on or after December 31, 2018, due to the death or disability of the student, as provided.

This bill would take effect immediately as a tax levy.

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



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