

CONCURRENCE IN SENATE AMENDMENTS

AB 6 X8 (Budget Committee)

As Amended March 3, 2010

Majority vote

ASSEMBLY:	(February 4, 2010)	SENATE:	(March 4, 2010)
(vote not relevant)		(vote not available)	

Original Committee Reference: RLS.

SUMMARY: Provides the necessary statutory changes in the area of transportation finance in order to address the fiscal emergency declared by Governor Schwarzenegger pursuant to the California Constitution.

The Senate amendments delete the Assembly version of this bill, and instead make various changes related to this fuel swap measure by deleting certain provisions, moving other provisions to AB 9 X8, and revising other language as follows:

- 1) Modify the Tax Provisions: Modifies the tax changes in the existing bill to delete the one-year delay/suspension of certain corporate tax breaks – specifically the unitary-group credit sharing provisions and the net operating loss (NOL) provisions. This has the effect of deleting the \$655 million in 2010-11 General Fund (GF) revenue gain that would result from these provisions. Instead this bill would increase the gasoline excise tax by 17.3 cents per gallon, instead of the 12.9 cent increase in the current version of the bill. The higher gasoline excise tax would generate similar new revenue to that lost from the corporate tax provisions, however it would not be GF revenue benefit.
- 2) Move the expenditures provisions to another bill: Deletes the expenditure and other non-tax implementation provisions of this bill and moves the provisions to AB 9 X8. The provisions moved include the appropriation and future allocation of Public Transportation Funds and the allocation of new gasoline excise tax revenues.
- 3) Delete the regional fee authority: Deletes the provisions that would authorize, with local voter approval, a local mitigation fee on gasoline to fund transit, bicycle and pedestrian projects, programs, and operations. That provision is not moved to AB 9 X8, and therefore is not part of this two bill package.
- 4) Retain, but modifies, the Proposition 98 language: Rewrites the language to be more explicit that the tax changes in the bill would have no net fiscal impact upon the amounts that would otherwise be calculated under test 1 of the Proposition 98 guarantee.
- 5) Tax Levy: By deleting the expenditure and related provisions and moving those to AB 9 X8, this bill would become a tax levy within the meaning of Article IV of the Constitution and go into immediate effect. However, the changes in tax rates would still be effective July 1, 2010, or after, as specified.

AS PASSED BY THE ASSEMBLY, this bill was a vehicle for 2009 Budget legislation.

**FISCAL EFFECT:** These amendments would revise the revenue provisions of this bill resulting in the following overall revenue impact.

Revenue Impact of Tax Swap  
(Estimates in millions)

	2010-11	2011-12	2012-13	2013-14
Eliminate Sales Tax on Gasoline	-\$2,531	-\$2,435	-\$2,369	-\$2,525
Increase Excise Tax on Gasoline	\$2,517	\$2,435	\$2,369	\$2,525
Increase the Sales Tax on Diesel	0	117	121	128
Decrease the Excise Tax on Diesel	0	-118	-121	-128
Net change in revenues:	-14	-1	0	0

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FN: