

Assembly Bill No. 362

CHAPTER 439

An act to add and repeal Section 17141 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor October 1, 2013. Filed with
Secretary of State October 1, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 362, Ting. Personal income taxes: exclusion: health insurance.

The Personal Income Tax Law imposes taxes based upon gross income, and defines gross income as all income from whatever source derived, unless specifically excluded.

This bill, until January 1, 2019, would also exclude from gross income any amount received by an employee from an employer to compensate for specified federal income tax liability incurred by the employee.

This bill would take effect immediately as a tax levy.

The people of the State of California do enact as follows:

SECTION 1. Section 17141 is added to the Revenue and Taxation Code, to read:

17141. (a) Gross income shall not include any amount received by an employee from an employer to compensate for the additional federal income tax liability incurred by the employee because, for federal income tax purposes, the same-sex spouse or domestic partner of the employee is not considered the spouse of the employee under Section 105(a) or Section 106(a) of the Internal Revenue Code, including any compensation for the additional federal income tax liability incurred with respect to those amounts.

(b) This section shall remain in effect only until January 1, 2019, and as of that date is repealed.

SEC. 2. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.