

ASSEMBLY BILL

No. 3128

Introduced by Assembly Member Chen

February 16, 2018

An act to add and repeal Section 17053.45 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 3128, as introduced, Chen. Personal income tax: credit: disabled veteran: service dog.

The Personal Income Tax Law allows various credits against the taxes imposed by that law.

This bill, for taxable years beginning on or after January 1, 2019, and before January 1, 2022, would allow a credit under the Personal Income Tax Law in an amount equal to 50% of the amounts paid or incurred during the taxable year by a qualified disabled veteran for the ownership and maintenance of a service dog, not to exceed \$1,500 for a taxable year.

This bill would take effect immediately as a tax levy.

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

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California is home to a large population of war veterans,
- 4 comprised of service men and women who have honorably served
- 5 in the line of duty.

1 (b) It is not uncommon for veterans, after experiencing the
2 horrors of war, to suffer from physical or mental health challenges.

3 (c) Common conditions that war veterans are afflicted with
4 include post-traumatic stress disorder, traumatic brain injury, and
5 heightened anxiety.

6 (d) Trained animals are often used to assist disabled veterans
7 in their rehabilitation. An animal can greatly contribute to a
8 veteran's sense of normalcy by providing support and
9 companionship.

10 (e) The purpose of adding Section 17053.45 to the Revenue and
11 Taxation Code is to create a tax credit for disabled veterans, as
12 determined by a disability rating promulgated by the United States
13 Department of Veterans Affairs, who incur costs associated with
14 the ownership of a service dog.

15 SEC. 2. Section 17053.45 is added to the Revenue and Taxation
16 Code, to read:

17 17053.45. (a) For taxable years beginning on or after January
18 1, 2019, and before January 1, 2022, there shall be allowed to a
19 qualified disabled veteran a credit against the costs associated with
20 owning a service dog in an amount equal to 50 percent of the
21 qualified disabled veteran's qualified costs, not to exceed one
22 thousand five hundred dollars (\$1,500) during the taxable year.

23 (b) For purposes of this section:

24 (1) "Qualified costs" means the amounts paid or incurred during
25 the taxable year by a qualified disabled veteran for the ownership
26 and maintenance of a service dog that is limited to the amounts
27 paid as local fees for service dog licenses; veterinary care and
28 medical-related expenses, including vaccinations, annual checkups,
29 and drug prescriptions; pet insurance coverage expenses; expenses
30 for specialty equipment, including vests, leads, and harnesses;
31 grooming expenses; and food expenses.

32 (2) "Qualified disabled veteran" means an individual who meets
33 both of the following conditions:

34 (A) Has served on active duty with the Armed Forces of the
35 United States and received an honorable discharge for all periods
36 of active service.

37 (B) Has a service-connected disability rating of at least 30
38 percent, as determined by the United States Department of Veterans
39 Affairs, and is assisted with any disability associated with that
40 rating by a service dog.

1 (3) “Service dog” means a service dog, as defined in clause (iii)
2 of subparagraph (C) of paragraph (6) of subdivision (b) of Section
3 54.1 of the Civil Code.

4 (c) In the case where the credit allowed by this section exceeds
5 the “net tax,” the excess may be carried over to reduce the “net
6 tax” in the following taxable year.

7 (d) It is the intent of the Legislative to comply with Section 41.

8 (e) This section shall remain in effect only until December 1,
9 2022, and as of that date is repealed.

10 SEC. 3. This act provides for a tax levy within the meaning of
11 Article IV of the California Constitution and shall go into
12 immediate effect.

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