

State Tax Matters

August 1, 2014



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Multistate Tax Alerts

What's new in the States? Our Multistate Tax Alerts highlight selected state tax developments relevant to taxpayers, tax professionals, and other interested persons. Read our more recent alerts below or visit the archive for ones you may have missed.

Archives: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/multistate-tax-archive/index.htm?id=us:em:na:stm:eng:tax

California AB 2389 Modifies the Capital Investment Incentive Program and Adds New Aerospace Tax Credit

California Governor Jerry Brown recently signed into law California Assembly Bill ("AB") 2389, which temporarily modifies the capital investment incentive program ("CIIP") and creates the aerospace *income tax* credit ("ATC") for wages paid by certain eligible aerospace manufacturers. The changes contained in AB 2389 include:

- CIIP
 - The temporary increase of the *property tax* incentive amount available under the CIIP, effective July 10, 2014, through June 30, 2015
 - The temporary narrowing of the definition of "qualifying manufacturing facility," effective July 10, 2014, through June 30, 2015
 - The extension of the CIIP sunset date from January 1, 2017, to January 1, 2018
- ATC
 - The creation of the new ATC equal to 17.5% of wages paid to qualified full-time employees for taxable years beginning on or after January 1, 2015, and ending before January 1, 2030
 - A qualified taxpayer means any taxpayer that is a first-tier subcontractor awarded a subcontract that is at least 35% of the initial prime contract awarded for the manufacturing of a new advanced strategic aircraft for the United States Air Force

This Multistate Tax Alert summarizes these and other related law changes.

[Issued: July 23, 2014]

URL: http://www.deloitte.com/view/en_US/us/Services/tax/Multistate-Tax/07cae38a2e867410VgnVCM1000003256f70aRCRD.htm?id=us:em:na:stm:eng:tax:080114

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