

AMENDED IN ASSEMBLY APRIL 4, 2017  
AMENDED IN ASSEMBLY MARCH 21, 2017  
CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

**ASSEMBLY BILL**

**No. 942**

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**Introduced by Assembly Member Mathis**

February 16, 2017

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An act to add and repeal Section 17052.4 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 942, as amended, Mathis. Personal income taxes: credit: veterinary costs.

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

This bill would allow a credit against those taxes for each taxable year beginning on or after January 1, 2017, and before January 1, 2023, in an amount equal to 50% of the amount paid or incurred during the taxable year by a taxpayer for qualified veterinary costs, as defined, for a taxpayer's pets, as defined, not to exceed \$2,000 per 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. Section 17052.4 is added to the Revenue and
- 2 Taxation Code, to read:

1 17052.4. (a) For each taxable year beginning on or after  
2 January 1, 2017, and before January 1, 2023, there shall be allowed  
3 as a credit against the “net tax,” as defined in Section 17039, an  
4 amount equal to 50 percent of the amount paid or incurred during  
5 the taxable year by a taxpayer for qualified veterinary costs for a  
6 taxpayer’s pets, not to exceed two thousand dollars (\$2,000) per  
7 taxable year.

8 (b) For purposes of this section:

9 (1) “Pet” means a domesticated cat or dog owned by the  
10 taxpayer.

11 (2) “Qualified veterinary costs” means the amount paid or  
12 incurred for ~~medical-related~~ *medically necessary* expenses paid  
13 to a licensed veterinarian, including, but not limited to,  
14 vaccinations, annual checkups, surgeries, and drug prescriptions.  
15 Qualified veterinary costs does not include expenses reimbursed  
16 by pet insurance.

17 ~~(c) In the case where the credit allowed by this section exceeds  
18 the “net tax,” the excess may be carried over to reduce the “net  
19 tax” in the following taxable year, and succeeding six years if  
20 necessary, until the credit is exhausted.~~

21 ~~(d)~~

22 (c) This section shall remain in effect only until December 1,  
23 2023, and as of that date is repealed. ~~However, any unused credit  
24 may continue to be carried forward, as provided in subdivision  
25 (e), until the credit is exhausted.~~

26 ~~(e)~~

27 (d) Section 41 does not apply to the credit allowed by this  
28 section.

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