

Assembly Bill No. 394

CHAPTER 671

An act to amend Section 18766 of the Revenue and Taxation Code, relating to personal income tax.

[Approved by Governor October 9, 2013. Filed with
Secretary of State October 9, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 394, Yamada. Personal income tax: voluntary contributions: Alzheimer's disease.

The Personal Income Tax Law allows taxpayers, until January 1, 2015, to contribute amounts in excess of their tax liability for the support of the California Alzheimer's Disease and Related Disorders Research Fund, unless earlier repealed for failure to meet annual minimum contribution amounts.

This bill would instead make these provisions effective for taxable years beginning before January 1, 2020.

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

SECTION 1. Section 18766 of the Revenue and Taxation Code is amended to read:

18766. (a) Except as otherwise provided in paragraph (2) of subdivision (b), this article shall remain in effect only for taxable years beginning before January 1, 2020, and as of December 1 of that year is repealed .

(b) (1) By September 1, 2006, and by September 1 of each subsequent calendar year that the California Alzheimer's Disease and Related Disorders Research Fund appears on a tax return, the Franchise Tax Board shall do all of the following:

(A) Determine the minimum contribution amount required to be received during the next calendar year for the fund to appear on the tax return for the taxable year that includes that next calendar year.

(B) Provide written notification to the Secretary of California Health and Human Services of the amount determined in subparagraph (A).

(C) Determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contributions amount determined by the Franchise Tax Board for the calendar year pursuant to subparagraph (A). The Franchise Tax Board shall estimate the amount of contributions to be received by using the actual amounts received and an estimate of the contributions that will be received by the end of that calendar year.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article shall be inoperative with respect to taxable years beginning on or after January 1 of that calendar year and shall be repealed on December 1 of that year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000) for the 2000 calendar year or the minimum contribution amount as adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with calendar year 2001, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior calendar year multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

(d) Notwithstanding the repeal of this article, any contribution amounts designated pursuant to this article prior to its repeal shall continue to be transferred and disbursed in accordance with this article as in effect immediately prior to that repeal.