

AMENDED IN SENATE APRIL 30, 2013

AMENDED IN SENATE APRIL 17, 2013

**SENATE BILL**

**No. 284**

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**Introduced by Senator De León**

February 14, 2013

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An act to add and repeal Sections 17053.86 and 23686 of the Revenue and Taxation Code, relating to taxation, ~~to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 284, as amended, De León. Income taxes: credits: contributions to education funds.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws.

This bill, under both laws, for taxable years beginning on or after January 1, 2014, and before January 1, 2017, would allow a credit equal to a certain percentage of a contribution to the College Access Tax Credit Fund, established by this bill, for specified education purposes, as provided. This bill would specify that the aggregate amount of credit that may be allocated under both laws shall not exceed \$500,000,000 for each calendar year, as specified, and would require the California Educational Facilities Authority to perform certain duties with regard to allocating and certifying the tax credits allowed under these provisions.

This bill would become operative only if SB 285 of the 2013–14 Regular Session is enacted and takes effect on or before January 1, 2014.

~~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 17053.86 is added to the Revenue and  
2 Taxation Code, to read:  
3 17053.86. (a) (1) For taxable years beginning on or after  
4 January 1, 2014, and before January 1, 2017, there shall be allowed  
5 a credit against the “net tax,” as defined in Section 17039, an  
6 amount equal to the following:  
7 (A) For each taxable year beginning on and after January 1,  
8 2014, and before January 1, 2015, 60 percent of the amount  
9 contributed by the taxpayer for the 2014 taxable year to the College  
10 Access Tax Credit Fund, as allocated and certified by the California  
11 Educational Facilities Authority.  
12 (B) For each taxable year beginning on and after January 1,  
13 2015, and before January 1, 2016, 55 percent of the amount  
14 contributed by the taxpayer for the 2015 taxable year to the College  
15 Access Tax Credit Fund, as allocated and certified by the California  
16 Educational Facilities Authority.  
17 (C) For each taxable year beginning on and after January 1,  
18 2016, and before January 1, 2017, 50 percent of the amount  
19 contributed by the taxpayer for the 2016 taxable year to the College  
20 Access Tax Credit Fund, as allocated and certified by the California  
21 Educational Facilities Authority.  
22 (2) Contributions shall be made only in cash.  
23 (b) (1) The aggregate amount of credit that may be allocated  
24 and certified pursuant to this section and Section 23686 shall be  
25 an amount equal to the sum of all of the following:  
26 (A) Five hundred million dollars (\$500,000,000) in credits for  
27 the 2014 calendar year and each calendar year thereafter.  
28 (B) The amount of previously unallocated and uncertified  
29 credits.  
30 (2) (A) For purposes of this section, the California Educational  
31 Facilities Authority shall do all of the following:  
32 (i) On or after January 1, 2014, and before January 1, 2017,  
33 allocate and certify tax credits to taxpayers under this section.  
34 (ii) Establish a procedure for taxpayers to contribute to the  
35 College Access Tax Credit Fund and to obtain from the California

1 Educational Facilities Authority a certification for the credit  
2 allowed by this section. *The procedure shall require the California*  
3 *Education Facilities Authority to certify the contribution amount*  
4 *eligible for credit within 45 days following receipt of the*  
5 *contribution.*

6 (iii) Provide to the Franchise Tax Board a copy of each credit  
7 certificate issued for the calendar year by March 1 of the calendar  
8 year immediately following the year in which those certificates  
9 are issued.

10 (B) (i) The California Educational Facilities Authority shall  
11 adopt any regulations necessary to implement this paragraph.

12 (ii) Chapter 3.5 (commencing with Section 11340) of Part 1 of  
13 Division 3 of Title 2 of the Government Code does not apply to  
14 any regulation adopted by the California Educational Facilities  
15 Authority pursuant to clause (i).

16 (c) (1) In the case where the credit allowed by this section  
17 exceeds the “net tax,” the excess may be carried over to reduce  
18 the “net tax” in the following year, and succeeding five years if  
19 necessary, until the credit is exhausted.

20 (2) A deduction shall not be allowed under this part for amounts  
21 taken into account under this section in calculating the credit  
22 allowed by this section.

23 (d) (1) The College Access Tax Credit Fund is hereby created  
24 as a special fund in the State Treasury. All revenue in this special  
25 fund, ~~upon appropriation by the Legislature, shall be allocated to~~  
26 ~~the Student Aid Commission for purposes of awarding Cal Grants~~  
27 ~~to students pursuant to Section 69432.75 of the Education Code~~  
28 ~~and to reimburse all administrative costs incurred by the Student~~  
29 ~~Aid Commission and the California Educational Facilities~~  
30 ~~Authority in connection with the duties required under this section~~  
31 ~~and Section 23686. as follows:~~

32 (A) *First to the General Fund in an amount equal to the*  
33 *aggregate amount of certified credits allowed pursuant to this*  
34 *section and Section 23686 for the taxable year.*

35 (B) *Second, upon appropriation, as follows:*

36 (i) *To the Franchise Tax Board, the California Educational*  
37 *Facilities Authority, the Controller, and the Student Aid*  
38 *Commission for reimbursement of all administrative costs incurred*  
39 *by those agencies in connection with their duties under this section,*  
40 *Section 23686, and Section 69432.7 of the Education Code.*

1 (ii) *To the Student Aid Commission for purposes of awarding*  
2 *Cal Grants to students pursuant to Section 69432.7.*

3 (2) The tax credit allowed by subdivision (a) of this section and  
4 subdivision (a) of Section 23686 for donations to the College  
5 Access Tax Credit Fund shall be known as the College Access  
6 Tax Credit.

7 (e) This section shall remain in effect only until December 1,  
8 2017, and as of that date is repealed.

9 SEC. 2. Section 23686 is added to the Revenue and Taxation  
10 Code, to read:

11 23686. (a) (1) For each taxable year beginning on or after  
12 January 1, 2014, and before January 1, 2017, there shall be allowed  
13 a credit against the “tax,” as defined in Section 23036, an amount  
14 equal to the following:

15 (A) For taxable years beginning on and after January 1, 2014,  
16 and before January 1, 2015, 60 percent of the amount contributed  
17 by the taxpayer for the 2014 taxable year to the College Access  
18 Tax Credit Fund, as allocated and certified by the California  
19 Educational Facilities Authority.

20 (B) For taxable years beginning on and after January 1, 2015,  
21 and before January 1, 2016, 55 percent of the amount contributed  
22 by the taxpayer for the 2015 taxable year to the College Access  
23 Tax Credit Fund, as allocated and certified by the California  
24 Educational Facilities Authority.

25 (C) For taxable years beginning on and after January 1, 2016,  
26 and before January 1, 2017, 50 percent of the amount contributed  
27 by the taxpayer for the 2016 taxable year to the College Access  
28 Tax Credit Fund, as allocated and certified by the California  
29 Educational Facilities Authority.

30 (2) Contributions shall be made only in cash.

31 (b) (1) The aggregate amount of credit that may be allocated  
32 and certified pursuant to this section and Section 17053.86 shall  
33 be an amount equal to the sum of all of the following:

34 (A) Five hundred million dollars (\$500,000,000) for the 2014  
35 calendar year and each calendar year thereafter.

36 (B) The amount of previously unallocated and uncertified  
37 credits.

38 (2) (A) For purposes of this section, the California Educational  
39 Facilities Authority shall do all of the following:

1 (i) On or after January 1, 2014, and before January 1, 2017,  
2 allocate and certify tax credits to taxpayers under this section.

3 (ii) Establish a procedure for taxpayers to contribute to the  
4 College Access Tax Credit Fund and to obtain from the California  
5 Educational Facilities Authority a certification for the credit  
6 allowed by this section. *The procedure shall require the California*  
7 *Education Facilities Authority to certify the contribution amount*  
8 *eligible for credit within 45 days following receipt of the*  
9 *contribution.*

10 (iii) Provide to the Franchise Tax Board a copy of each credit  
11 certificate issued for the calendar year by March 1 of the calendar  
12 year immediately following the year in which those certificates  
13 are issued.

14 (B) (i) The California Educational Facilities Authority shall  
15 adopt any regulations necessary to implement this paragraph.

16 (ii) Chapter 3.5 (commencing with Section 11340) of Part 1 of  
17 Division 3 of Title 2 of the Government Code does not apply to  
18 any regulation adopted by the California Educational Facilities  
19 Authority pursuant to clause (i).

20 (c) (1) In the case where the credit allowed by this section  
21 exceeds the “tax,” the excess may be carried over to reduce the  
22 “tax” in the following year, and succeeding five years if necessary,  
23 until the credit is exhausted.

24 (2) A deduction shall not be allowed under this part for amounts  
25 taken into account under this section in calculating the credit  
26 allowed by this section.

27 (d) This section shall remain in effect only until December 1,  
28 2017, and as of that date is repealed.

29 SEC. 3. This act shall become operative only if Senate Bill  
30 285 of the 2013–14 Regular Session is enacted and takes effect  
31 on or before January 1, 2014.

32 ~~SEC. 4. This act provides for a tax levy within the meaning of~~  
33 ~~Article IV of the Constitution and shall go into immediate effect.~~