

AMENDED IN ASSEMBLY JANUARY 13, 2016

AMENDED IN ASSEMBLY JANUARY 4, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1399

Introduced by Assembly Member Baker
(Coauthors: Assembly Members Brough and Gipson)

February 27, 2015

An act to add and repeal Article 2 (commencing with Section 18711) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1399, as amended, Baker. Income taxes: voluntary contributions: California Domestic Violence Fund.

Existing law authorizes an individual to contribute amounts in excess of his or her tax liability for the support of specified funds.

This bill would additionally allow an individual to designate on his or her tax return that a specified amount in excess of his or her tax liability be transferred to the California Domestic Violence Fund, which would be created by this bill. The bill would prohibit a voluntary contribution designation for the California Domestic Violence Fund from being added on the tax return until another voluntary contribution designation is removed or a space is available.

The bill would require moneys in the California Domestic Violence Fund, upon appropriation by the Legislature, to be allocated to the Franchise Tax Board and the Controller for reimbursement of ~~costs, as provided,~~ costs and the balance to the Office of Emergency Services (OES) for the distribution of grants to ~~specified domestic violence~~

~~programs.~~ existing grant recipients under the Comprehensive Statewide Domestic Violence Program within OES, as provided.

The bill would provide that these provisions would remain in effect only until January 1 of the 5th taxable year following the first appearance of the California Domestic Violence Fund on the tax return, but would further provide for an earlier repeal if the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not *at least* equal ~~or exceed~~ the minimum contribution amount, as defined, for that calendar year, in which case these provisions would be repealed on December 1 of that year.

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. Article 2 (commencing with Section 18711) is
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
3 Taxation Code, to read:

4

5 Article 2. California Domestic Violence Fund

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7 18711. (a) An individual may designate on the tax return that
8 a contribution in excess of the tax liability, if any, be made to the
9 California Domestic Violence Fund established by Section 18712.
10 That designation is to be used as a voluntary contribution on the
11 tax return.

12 (b) The contributions shall be in full dollar amounts and may
13 be made individually by each signatory on a joint return.

14 (c) A designation under subdivision (a) shall be made for a
15 taxable year on the original return for that taxable year, and once
16 made shall be irrevocable. If payments and credits reported on the
17 return, together with any other credits associated with the
18 individual's account, do not exceed the individual's liability, the
19 return shall be treated as though no designation has been made. If
20 a designee is not specified, the contribution shall be transferred to
21 the General Fund after reimbursement of the direct actual costs of
22 the Franchise Tax Board for the collection and administration of
23 funds under this article.

24 (d) If an individual designates a contribution to more than one
25 account or fund listed on the tax return, and the amount available

1 is insufficient to satisfy the total amount designated, the
2 contribution shall be allocated among the designees on a pro rata
3 basis.

4 (e) The Franchise Tax Board shall revise the form of the return
5 to include a space labeled “California Domestic Violence Fund”
6 to allow for the designation permitted under subdivision (a). The
7 form shall also include in the instructions information that the
8 contribution may be in the amount of one dollar (\$1) or more and
9 that the contribution shall be used to further the services that
10 California’s domestic violence programs provide for victims of
11 domestic violence.

12 (f) Notwithstanding any other law, a voluntary contribution
13 designation for the California Domestic Violence Fund shall not
14 be added on the tax return until another voluntary contribution
15 designation is removed or space is available.

16 (g) A deduction shall be allowed under Article 6 (commencing
17 with Section 17201) of Chapter 3 of Part 10 for any contribution
18 made pursuant to subdivision (a).

19 18712. There is hereby established in the State Treasury the
20 California Domestic Violence Fund to receive contributions made
21 pursuant to Section 18711. The Franchise Tax Board shall notify
22 the Controller of both the amount of money paid by taxpayers in
23 excess of their tax liability and the amount of refund money that
24 taxpayers have designated pursuant to Section 18711 to be
25 transferred to the California Domestic Violence Fund. The
26 Controller shall transfer from the Personal Income Tax Fund to
27 the California Domestic Violence Fund an amount not in excess
28 of the sum of the amounts designated by individuals pursuant to
29 Section 18711 for payment into that fund.

30 18713. All moneys transferred to the California Domestic
31 Violence Fund, upon appropriation by the Legislature, shall be
32 allocated as follows:

33 (a) To the Franchise Tax Board and the Controller for
34 reimbursement of all costs incurred by the Franchise Tax Board
35 and the Controller in connection with their duties under this article.

36 (b) To the Office of Emergency Services for the distribution of
37 grants to domestic violence programs in California that are in
38 active status, as reflected on the Business Search page of the
39 Secretary of State’s Internet Web site, and ~~that~~ are exempt from
40 federal income taxation as an organization described in Section

1 501(c)(3) of the Internal Revenue ~~Code~~. *Code, and are grant*
 2 *recipients under the Comprehensive Statewide Domestic Violence*
 3 *Program within the Office of Emergency Services as described in*
 4 *Section 13823.15 of the Penal Code.* The Office of Emergency
 5 Services shall award grants and be responsible for overseeing the
 6 grant program.

7 (1) A domestic violence program shall not use grant moneys
 8 awarded pursuant to this section for its administrative costs.

9 (2) The Office of Emergency Services shall not use fund moneys
 10 for its administrative costs.

11 18714. (a) Except as otherwise provided in subdivision (b),
 12 this article shall remain in effect only until January 1 of the fifth
 13 taxable year following the first appearance of the California
 14 Domestic Violence Fund on the personal income tax return, and
 15 is repealed as of December 1 of that year.

16 (b) (1) By September 1 of the second calendar year and each
 17 subsequent calendar year that the California Domestic Violence
 18 Fund appears on the tax return, the Franchise Tax Board shall do
 19 all of the following:

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

24 (B) Provide written notification to the Office of Emergency
 25 Services of the amount determined in subparagraph (A).

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

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

1 (3) For purposes of this section, the minimum contribution
2 amount for a calendar year means two hundred fifty thousand
3 dollars (\$250,000) for the second calendar year after the first
4 appearance of the California Domestic Violence Fund on the
5 personal income tax return or the minimum contribution amount
6 as adjusted pursuant to subdivision (c).

7 (c) For each calendar year, beginning with the third calendar
8 year after the first appearance of the California Domestic Violence
9 Fund on the personal income tax return, the Franchise Tax Board
10 shall adjust, on or before September 1 of that calendar year, the
11 minimum contribution amount specified in subdivision (b) as
12 follows:

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

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

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