

AMENDED IN SENATE JUNE 30, 2016

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY APRIL 13, 2016

AMENDED IN ASSEMBLY MARCH 15, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2497**

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**Introduced by Assembly Member Wagner  
(Principal coauthors: Assembly Members Brown and  
Ridley-Thomas)**

**(Coauthors: Assembly Members Dahle, Gipson, and Hadley)**

February 19, 2016

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An act to amend Section 18729 of, and to add and repeal Article 3.6 (commencing with Section 18730) of Chapter 3 of Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2497, as amended, Wagner. Voluntary contributions: California Senior Legislature Fund: California Senior Citizen Advocacy Fund.

Under existing law, taxpayers are allowed to contribute amounts in excess of their personal income tax liability for the support of the California Senior Legislature Fund until the year in which the minimum contribution is not received, or January 1, 2019, whichever occurs first. Existing law also contains administrative provisions that are generally applicable to voluntary contributions.

This bill would repeal these provisions regarding contributions for the support of the California Senior Legislature Fund and would instead allow a taxpayer, for taxable years beginning on or after January 1,

2016, to designate an amount in excess of personal income tax liability to be deposited to the California Senior Citizen Advocacy Fund, which the bill would create. This bill would require moneys transferred to the California Senior Citizen Advocacy Fund, upon appropriation by the Legislature, to be allocated to the Franchise Tax Board and the Controller, as provided, and to the California Senior Legislature for the purpose of funding the activities of the California Senior Legislature, as provided. *The bill would require the California Senior Legislature’s Internet Web site to report specified information, including all events the California Senior Citizen Advocacy Fund supports each year.*

This bill would repeal these voluntary contribution provisions by a specified date or, if contributions made on returns would be less than a specified amount, by an earlier date as provided.

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 18729 of the Revenue and Taxation Code  
2 is amended to read:

3 18729. (a) This article shall remain in effect only for taxable  
4 years beginning before January 1, 2016, and as of January 1, 2017,  
5 is repealed.

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

10 SEC. 2. Article 3.6 (commencing with Section 18730) is added  
11 to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation  
12 Code, to read:

13  
14 Article 3.6. California Senior Citizen Advocacy Fund  
15

16 18730. (a) For taxable years beginning on or after January 1,  
17 2016, any individual may designate on the tax return that a  
18 contribution in excess of the tax liability, if any, be made to the  
19 California Senior Citizen Advocacy Fund established by Section  
20 18731 to be used to conduct the sessions of the California Senior  
21 Legislature and to support its ongoing activities on behalf of older  
22 persons.

1 (b) The contribution shall be in full dollar amounts and may be  
2 made individually by each signatory on the joint return.

3 (c) A designation under subdivision (a) shall be made for any  
4 taxable year on the original return for that taxable year, and once  
5 made shall be irrevocable. If payments and credits reported on the  
6 return, together with any other credits associated with the  
7 individual's account, do not exceed the individual's tax liability,  
8 the return shall be treated as though no designation has been made.

9 (d) The Franchise Tax Board shall revise the form of the return  
10 to include a space labeled "California Senior Citizen Advocacy  
11 Fund" to allow for the designation permitted under subdivision  
12 (a). The form shall also include in the instructions information that  
13 the contribution may be in the amount of one dollar (\$1) or more  
14 and that the contribution shall be used to conduct the sessions of  
15 the California Senior Legislature and to support its ongoing  
16 activities on behalf of older persons.

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

20 18731. (a) There is hereby established in the State Treasury  
21 the California Senior Citizen Advocacy Fund to receive  
22 contributions made pursuant to Section 18730. The Franchise Tax  
23 Board shall notify the Controller of both the amount of money  
24 paid by taxpayers in excess of their tax liability and the amount  
25 of refund money that taxpayers have designated pursuant to Section  
26 18730 to be transferred to the California Senior Citizen Advocacy  
27 Fund. The Controller shall transfer from the Personal Income Tax  
28 Fund to the California Senior Citizen Advocacy Fund an amount  
29 not in excess of the sum of the amounts designated by individuals  
30 pursuant to Section 18730 for payment into that fund.

31 (b) The California Senior Citizen Advocacy Fund is the  
32 successor fund of the California Senior Legislature Fund. All  
33 assets, liabilities, revenues, and expenditures of the California  
34 Senior Legislature Fund shall be transferred to, and become a part  
35 of, the California Senior Citizen Advocacy Fund, as provided in  
36 Section 16346 of the Government Code. Any references in state  
37 law to the California Senior Legislature Fund shall be construed  
38 to refer to the California Senior Citizen Advocacy Fund.

1 18732. (a) All moneys transferred to the California Senior  
2 Citizen Advocacy Fund pursuant to Section 18731, upon  
3 appropriation by the Legislature, shall be allocated as follows:

4 (1) To the Controller and the Franchise Tax Board for  
5 reimbursement of all costs incurred by the Controller and the  
6 Franchise Tax Board in connection with their duties under this  
7 article.

8 (2) The balance to the California Senior Legislature, for its  
9 ongoing activities on behalf of older persons.

10 (b) All moneys allocated pursuant to paragraph (2) of  
11 subdivision (a) may be carried over from the year in which they  
12 were received and encumbered in any following year.

13 (c) The funds allocated to the California Senior Legislature for  
14 the purpose of funding the activities of the California Senior  
15 Legislature shall be spent pursuant to the purview of the Joint  
16 Rules Committee of the California Senior Legislature in a manner  
17 consistent with the bylaws of the California Senior Legislature,  
18 established through a majority vote of the California Senior  
19 Legislature.

20 (d) *The California Senior Legislature’s Internet Web site shall*  
21 *report the goals of the organization, the number of and summary*  
22 *of bills proposed by the California Senior Legislature, and all*  
23 *events the California Senior Citizen Advocacy Fund supports each*  
24 *year.*

25 18733. (a) Except as otherwise provided in subdivision (b),  
26 this article shall remain in effect only for taxable years beginning  
27 before January 1, 2021, and as of December 1, 2021, is repealed.

28 (b) (1) By September 1, 2017, and by September 1 of each  
29 subsequent calendar year that the California Senior Citizen  
30 Advocacy Fund appears on the tax return, the Franchise Tax Board  
31 shall do all of the following:

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

36 (B) Provide written notification to the California Senior  
37 Legislature of the amount determined in subparagraph (A).

38 (C) Determine whether the amount of contributions estimated  
39 to be received during the calendar year will equal or exceed the  
40 minimum contribution amount determined by the Franchise Tax

1 Board for the calendar year pursuant to subparagraph (A). The  
2 Franchise Tax Board shall estimate the amount of contributions  
3 to be received by using the actual amounts received and an estimate  
4 of the contributions that will be received by the end of that calendar  
5 year.

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

12 (3) For purposes of this section, the minimum contribution  
13 amount for a calendar year means two hundred fifty thousand  
14 dollars (\$250,000) for the second calendar year after the first  
15 appearance of the California Senior Citizen Advocacy Fund on  
16 the personal income tax return or the minimum contribution amount  
17 as adjusted pursuant to subdivision (c).

18 (c) For each calendar year, beginning with the third calendar  
19 year after the first appearance of the California Senior Citizen  
20 Advocacy Fund on the personal income tax return, the Franchise  
21 Tax Board shall adjust, on or before September 1 of that calendar  
22 year, the minimum contribution amount specified in subdivision  
23 (b) as follows:

24 (1) The minimum estimated contribution amount for the calendar  
25 year shall be an amount equal to the product of the minimum  
26 estimated contribution amount for the calendar year multiplied by  
27 the inflation factor adjustment as specified in subparagraph (A) of  
28 paragraph (2) of subdivision (h) of Section 17041, rounded off to  
29 the nearest dollar.

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

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

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