

AMENDED IN SENATE APRIL 14, 2016

SENATE BILL

No. 1476

Introduced by Committee on Governance and Finance (Senators Hertzberg (Chair), Beall, Hernandez, Lara, Moorlach, Nguyen, and Pavley)

March 7, 2016

An act to add Section ~~18410.3~~ 18873 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1476, as amended, Committee on Governance and Finance. Income taxation: voluntary contributions.

Existing law authorizes taxpayers to contribute amounts in excess of their personal income tax liability for the support of specified funds. *Existing law also has administrative provisions applicable to voluntary contributions.*

This bill would ~~require include, as generally applicable administrative provisions, that~~ any new or extended voluntary contribution ~~to include the words "voluntary tax contribution" in the name of the fund, require that the administering agency, as defined, to include specified information about the fund on its Internet Web site, include a continuous appropriation of that the contributed funds be continuously appropriated to the administering agency, and specify the minimum contribution amount for the continuation of any voluntary contribution. tax contribution on the tax return form, and a generally applicable inoperative date for a voluntary tax contribution.~~

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

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

SECTION 1. Section ~~18410.3~~ 18873 is added to the Revenue and Taxation Code, to read:

~~18410.3.~~

18873. Notwithstanding any other law, *all of the following requirements shall apply* to any new voluntary tax contributions, including an extension of existing voluntary tax ~~contributions~~, ~~shall include all of the following:~~ *contribution:*

(a) The words “voluntary tax contribution” shall be included as part of the name of the fund.

(b) ~~(1)~~ The administering agency’s Internet Web site shall ~~be required to~~ report the process for awarding money, the amount of money spent on administration, and an itemization of how program funds were awarded by the agency, including, but not limited to, information regarding recipients of funds.

~~(2)~~ An “administering agency” means the state agency or other governmental entity, other than Franchise Tax Board and the Controller, to which funds are allocated to accomplish the purposes of the voluntary tax contribution designation.

~~(c)~~ The voluntary contribution shall include a minimum contribution amount that must be received for the fund to continue appearing on the tax return as follows:

~~(1)~~ The minimum contribution amount shall be two hundred fifty thousand dollars (\$250,000) for the second calendar year after the first appearance of the fund on the personal income tax return.

~~(2)~~ For each calendar year, beginning with the third calendar year after the first appearance of the fund on the personal income tax return, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount as follows:

~~(A)~~ 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 subparagraph (A) of paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

~~(B)~~ 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 for all items received on or before

1 ~~August 1 of the calendar year pursuant to paragraph (1) of~~
2 ~~subdivision (h) of Section 17041.~~

3 ~~(C) The minimum contribution amount shall be adjusted until~~
4 ~~it reaches five hundred thousand dollars (\$500,000), and shall~~
5 ~~remain at five hundred thousand dollars (\$500,000) for each~~
6 ~~subsequent year.~~

7 *(c) (1) Except as otherwise provided in paragraph (2) or where*
8 *another inoperative or repeal date is provided, the article*
9 *establishing the voluntary tax contribution shall remain in effect*
10 *only until January 1 of the seventh calendar year following the*
11 *first appearance of the contribution on the personal income tax*
12 *return, and is repealed as of December 1 of that year.*

13 *(2) The minimum contribution amount that must be received*
14 *for the fund to continue appearing on the tax return is two hundred*
15 *fifty thousand dollars (\$250,000) for the second calendar year*
16 *after the first appearance of the fund on the personal income tax*
17 *return and each calendar year thereafter.*

18 (d) Funds contributed pursuant to the tax check-off shall be
19 continuously appropriated to the administering agency to be spent
20 as prescribed in the act in which the voluntary *tax* contribution is
21 enacted.