

ASSEMBLY BILL

No. 302

Introduced by Assembly Member Runner

February 14, 1997

An act to add Section 17052.20 to the Revenue and Taxation Code, and to add Section 11251 to the Welfare and Institutions Code, relating to human services.

LEGISLATIVE COUNSEL'S DIGEST

AB 302, as introduced, Runner. Public assistance: tax credit.

The Personal Income Tax Law authorizes various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable and income year beginning on or after January 1, 1998, in an amount equal to \$2000 for caring for an individual receiving public assistance and thereby removing that individual from public assistance.

Existing state law provides for the Aid to Families with Dependent Children (AFDC) program, pursuant to which qualified families are provided with cash assistance. Existing federal law provides for the allocation of federal funds through the federal Temporary Assistance for Needy Families (TANF) program to states that participate in the TANF program.

Existing federal law requires that eligibility of individuals receiving benefits under the TANF program be limited to 5 years.

This bill would provide that the time that an AFDC or TANF recipient discontinues receiving aid because that former recipient is being cared for by an individual who is receiving the tax credit provided by the bill shall count against that recipient’s maximum time period for eligibility at the rate of 50%.

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 17052.20 is added to the Revenue
2 and Taxation Code, to read:

3 17052.20. (a) For each taxable year beginning on or
4 after January 1, 1998, there shall be allowed as a credit
5 against the ‘net tax,’ as defined in Section 17039, an
6 amount equal to two thousand dollars (\$2,000) for caring
7 for an individual receiving public assistance and thereby
8 removing that individual from public assistance.

9 (b) For purposes of this section, “public assistance”
10 includes Aid to Families with Dependent Children
11 (Chapter 2 (commencing with Section 11200) of Part 3 of
12 Division 9 of the Welfare and Institutions Code), federal
13 Temporary Assistance for Needy Families, and general
14 assistance (Part 5 (commencing with Section 17000) of
15 Division 9 of the Welfare and Institutions Code).

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

20 SEC. 2. Section 11251 is added to the Welfare and
21 Institutions Code, to read:

22 11251. The time that a recipient of aid under this
23 chapter or the federal Temporary Assistance for Needy
24 Families (TANF) program discontinues receiving aid
25 because that former recipient is being cared for by an
26 individual who is receiving a tax credit pursuant to
27 Section 17052.20 of the Revenue and Taxation Code shall



1 count against that recipient's maximum time period for
2 eligibility at the rate of 50 percent.

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