

**ASSEMBLY BILL**

**No. 1221**

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**Introduced by Assembly Member Rod Pacheco**

February 23, 2001

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An act to amend Section 17073 of, and to add and repeal Section 17205 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1221, as introduced, Rod Pacheco. Income taxes: deduction.

The Personal Income Tax Law allows various deductions in computing income that is subject to taxes, including a deduction, in modified conformity to federal income tax laws, for charitable contributions.

This bill would allow taxpayers who do not itemize their deductions a direct charitable deduction in an amount equal to 50% of the excess allowable under specified federal provisions over \$100, as provided. The deduction would be allowed in computing taxable income.

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 17073 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 17073. (a) Section 63 of the Internal Revenue Code, relating
- 4 to taxable income defined, shall apply, except as otherwise
- 5 provided.

1 (b) For individuals who do not itemize deductions, the standard  
2 deduction computed in accordance with Section 17073.5 shall be  
3 allowed as a deduction in computing taxable income.

4 (c) *The deduction allowed by Section 17205, relating to direct*  
5 *charitable deductions, shall be allowed in computing taxable*  
6 *income.*

7 SEC. 2. Section 17205 is added to the Revenue and Taxation  
8 Code, to read:

9 17205. (a) For each taxable year beginning on or after  
10 January 1, 2001, and before January 1, 2006, in the case of an  
11 individual who does not itemize his or her deductions for the  
12 taxable year, there shall be allowed a direct charitable deduction  
13 in an amount equal to 50 percent of the excess of the amount  
14 allowable under Section 170(a) of the Internal Revenue Code for  
15 the taxable year over one hundred dollars (\$100).

16 (b) This section shall remain in effect only until January 1,  
17 2006, and as of that date is repealed.

18 SEC. 3. This act provides for a tax levy within the meaning of  
19 Article IV of the Constitution and shall go into immediate effect.

