

AMENDED IN ASSEMBLY MARCH 5, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 137

Introduced by Assembly Members Correa, Chavez, Dymally, and Lieber

(Principal coauthor: Assembly Member ~~Maze~~) Members Koretz and Maze)

(Coauthors: Assembly Members Bermudez, Cohn, Daucher, Frommer, Harman, Laird, Leno, Longville, Maddox, Matthews, Montanez, Nation, Nunez, Parra, Pavley, Reyes, Spitzer, Strickland, Wiggins, and ~~Wyland~~ Wyland)

(Coauthors: Senators ~~Florez, McPherson, Ortiz, and Scott~~) *Aanestad, Denham, Florez, Kuehl, Machado, McPherson, Ortiz, Scott, and Soto*)

January 16, 2003

An act to ~~repeal~~ *amend* Section 18724 of the Revenue and Taxation Code, relating to designated taxpayer contributions.

LEGISLATIVE COUNSEL'S DIGEST

AB 137, as amended, Correa. Income taxes: designated contributions: senior citizens.

Under the Personal Income Tax Law, taxpayers are allowed, until January 1, 2005, to contribute amounts in excess of their tax liability for the support of the California Fund for Senior Citizens. Existing law provides for the repeal of the contribution provisions for these funds either on the January 1 following the calendar year for which the Franchise Tax Board estimates that the minimum contribution amount

will be less than a prescribed amount or on January 1, 2005, whichever occurs first.

This bill would, *under this latter limit*, extend the operation of those contribution provisions ~~indefinitely~~ *until January 1, 2010*.

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 18724 of the Revenue and Taxation
2 ~~Code is repealed.~~ *Code is amended to read:*

3 18724. (a) This article shall remain in effect only until
4 January 1, ~~2005~~ 2010, and as of that date is repealed, unless a later
5 enacted statute, which is enacted before January 1, ~~2005~~ 2010,
6 deletes that date.

7 (b) If the Franchise Tax Board estimates by September 1 that
8 contributions described in this article made on returns filed in that
9 calendar year will be less than two hundred fifty thousand dollars
10 (\$250,000) for taxable years beginning in 2001, or the adjusted
11 amount specified in subdivision (c) for any subsequent taxable
12 year, as may be applicable, then this article is repealed with respect
13 to taxable years beginning on or after January 1 of that calendar
14 year. The Franchise Tax Board shall estimate the annual
15 contribution amount by September 1 of each year using the actual
16 amounts known to be contributed and an estimate of the remaining
17 year's contributions.

18 (c) For each calendar year, beginning with calendar year 2002,
19 the Franchise Tax Board shall adjust, on or before September 1 of
20 that calendar year, the minimum estimated contribution amount
21 specified in subdivision (b) as follows:

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

28 (2) The inflation factor adjustment used for the calendar year
29 shall be based on the figures for the percentage change in the
30 California Consumer Price Index received on or before August 1



1 of the calendar year pursuant to paragraph (1) of subdivision (h)
2 of Section 17041.
3 (d) Notwithstanding the repeal of this article, any contribution
4 amounts designated pursuant to this article prior to its repeal shall
5 continue to be transferred and disbursed in accordance with this
6 article as in effect immediately prior to that repeal.

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