

ASSEMBLY BILL

No. 2217

Introduced by Assembly Member Parra

February 20, 2008

An act to amend Section 18871 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2217, as introduced, Parra. Taxation: voluntary contribution funds or account.

Under the Personal Income Tax Law, individual taxpayers are allowed to contribute amounts in excess of their tax liability or the support of specified funds or accounts.

Existing law requires the Treasurer to hold any unclaimed money that has been deposited in trust in the Treasury by any state agency for a period of 2 years and provides that the deposited money, if not paid within that period, shall revert to the General Fund.

This bill would exempt from that requirement any moneys transferred to, or deposited in any voluntary contribution account or fund, 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 18871 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 18871. In implementing this chapter, all of the following
- 4 requirements shall apply:

1 (a) Unless otherwise specifically required by law, each voluntary
2 contribution fund or account established by this chapter shall be
3 included on the forms of the return through the taxable year
4 immediately preceding the year of repeal of the article establishing
5 that voluntary contribution fund or account.

6 (b) Notwithstanding the repeal of any article of this chapter, the
7 voluntary contribution fund or account specified in that article
8 shall continue in effect until December 31 of the year of the repeal
9 of that article, and any contribution designated pursuant to that
10 article on a timely filed initial return for the taxable year
11 immediately preceding the date of repeal shall be transferred and
12 disbursed, and all costs incurred by the Franchise Tax Board and
13 Controller in connection with the transfer and disbursement of
14 these contribution amounts shall continue to be paid, in accordance
15 with that article as it read immediately prior to its repeal.

16 (c) Unless otherwise specifically required by law, a contribution
17 made to any voluntary contribution fund or account established
18 by this chapter shall be subject to the following provisions:

19 (1) In the event that no designee is specified, the contribution
20 shall, after reimbursement of the direct actual costs of the Franchise
21 Tax Board for the collection and administration of contributions
22 made under this article, be transferred to the General Fund.

23 (2) In the event an individual designates a contribution to more
24 than one account or fund listed on the tax return, and the amount
25 available is insufficient to satisfy the total amount designated, the
26 contribution shall be allocated among the designees on a pro rata
27 basis.

28 (d) (1) If the number of contingent voluntary contribution
29 designations that are eligible to be added to the tax return for a
30 taxable year is greater than the number of voluntary contribution
31 designations removed, those contingent voluntary contribution
32 designations that are eligible to be added to the tax return shall be
33 added to the tax return in the order of the date of enactment, with
34 the voluntary contribution designation with the earliest date of
35 enactment to be added first.

36 (2) For purposes of this subdivision:

37 (A) A contingent voluntary contribution designation means a
38 voluntary contribution designation authorized under this chapter
39 that may not be added to the tax return until another voluntary
40 contribution designation is removed from the tax form.

1 (B) The date of enactment of a contingent voluntary contribution
2 designation authorized under this chapter shall be the date the act
3 authorizing the contingent voluntary contribution designation was
4 filed with the Secretary of State. In the event that more than one
5 act authorizing a contingent voluntary contribution designation is
6 filed with the Secretary of State on the same date, the act with the
7 lowest chapter number will be conclusively presumed to have been
8 filed with the Secretary of State before any other act authorizing
9 a contingent voluntary contribution designation with a higher
10 number.

11 (e) Notwithstanding subdivision (d), or the contingency language
12 of an act prohibiting the addition of a contingent voluntary
13 contribution designation until another voluntary contribution
14 designation is removed, the Franchise Tax Board may add one or
15 more voluntary contribution designations if the board determines
16 that space is available on the tax return to accommodate the
17 additional voluntary contribution designation.

18 (f) *Section 16374 of the Government Code shall not apply to*
19 *any money transferred to, or deposited in, any voluntary*
20 *contribution fund or account established pursuant to this chapter.*