

AMENDED IN SENATE FEBRUARY 15, 2008

SENATE BILL

No. 1101

Introduced by Senator Cedillo

January 15, 2008

An act to amend ~~Section 18855~~ *Sections 18851, 18852, 18853, and 18855* of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1101, as amended, Cedillo. Personal income taxes: contributions: Emergency Food Assistance Program for Families Fund.

The Personal Income Tax Law allows taxpayers, until January 1, 2009, to designate on their tax returns that a specified amount in excess of their tax liability be contributed to the Emergency Food Assistance Program Fund.

This bill would *change the name of the fund to the "Emergency Food for Families Fund," and would extend the operation of those provisions until January 1, 2014.*

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 18851 of the Revenue and Taxation Code*
2 *is amended to read:*

3 18851. (a) An individual may designate on the tax return that
4 a contribution in excess of the tax liability, if any, be made to the
5 Emergency Food Assistance Program for Families Fund, which
6 is established by Section 18852. That designation is to be used as
7 a voluntary checkoff on the tax return.

1 (b) The contributions shall be in full dollar amounts and may
2 be made individually by each signatory on a joint return.

3 (c) A designation shall be made for any taxable year on the
4 initial return for that taxable year and once made is irrevocable. If
5 payments and credits reported on the return, together with any
6 other credits associated with the taxpayer's account do not exceed
7 the taxpayer's liability, the return shall be treated as though no
8 designation has been made.

9 (d) The Franchise Tax Board shall revise the form of the return
10 to include a space labeled the "Emergency Food ~~Assistance~~
11 ~~Program for Families~~ Fund" to allow for the designation permitted.
12 The form shall also include in the instructions information that the
13 contribution may be in the amount of one dollar (\$1) or more and
14 that the contribution shall be used for the Emergency Food
15 Assistance Program.

16 (e) A deduction shall be allowed under Article 6 (commencing
17 with Section 17201) of Chapter 3 of Part 10 for any contribution
18 made pursuant to subdivision (a).

19 *SEC. 2. Section 18852 of the Revenue and Taxation Code is*
20 *amended to read:*

21 18852. There is in the State Treasury the Emergency Food
22 ~~Assistance Program for Families~~ Fund to receive contributions
23 made pursuant to Section 18851. The Franchise Tax Board shall
24 notify the Controller of both the amount of money paid by
25 taxpayers in excess of their tax liability and the amount of refund
26 money that taxpayers have designated pursuant to Section 18851
27 to be transferred to the Emergency Food ~~Assistance Program for~~
28 ~~Families~~ Fund. The Controller shall transfer from the Personal
29 Income Tax Fund to the Emergency Food ~~Assistance Program for~~
30 ~~Families~~ Fund an amount not in excess of the sum of the amounts
31 designated by individuals pursuant to Section 18851 for payment
32 into that fund.

33 *SEC. 3. Section 18853 of the Revenue and Taxation Code is*
34 *amended to read:*

35 18853. All money transferred to the Emergency Food
36 ~~Assistance Program for Families~~ Fund, upon appropriation by the
37 Legislature, shall be allocated as follows:

38 (a) To the Franchise Tax Board and the Controller for
39 reimbursement of all costs incurred by the Franchise Tax Board
40 and the Controller in connection with their duties under this article.

1 (b) To the State Department of Social Services for allocation
2 to the Emergency Food Assistance Program. Funds shall be
3 allocated for direct services provided by the Emergency Food
4 Assistance Program and may not be used for the department's
5 administrative costs.

6 **SECTION 1.**

7 *SEC. 4.* Section 18855 of the Revenue and Taxation Code is
8 amended to read:

9 18855. (a) This article shall remain in effect only until January
10 1, 2014, and as of that date is repealed, unless a later enacted
11 statute, that is enacted before January 1, 2014, deletes or extends
12 that date.

13 (b) (1) By September 1, 2006, and by September 1 of each
14 subsequent calendar year that the Emergency Food ~~Assistance~~
15 ~~Program~~ *For Families* Fund appears on a tax return, the Franchise
16 Tax Board shall do all of the following:

17 (A) Determine the minimum contribution amount required to
18 be received during the next calendar year for the fund to appear
19 on the tax return for the taxable year that includes that next calendar
20 year.

21 (B) Provide written notification to the State Department of
22 Social Services of the amount determined in subparagraph (A).

23 (C) Determine whether the amount of contributions estimated
24 to be received during the calendar year will equal or exceed the
25 minimum contribution amount determined by the Franchise Tax
26 Board for the calendar year pursuant to subparagraph (A). The
27 Franchise Tax Board shall estimate the amount of contributions
28 to be received by using the actual amounts received and an estimate
29 of the contributions that will be received by the end of that calendar
30 year.

31 (2) If the Franchise Tax Board determines that the amount of
32 contributions estimated to be received during a calendar year will
33 not at least equal the minimum contribution amount for the calendar
34 year, this article is repealed with respect to taxable years beginning
35 on or after January 1 of that calendar year.

36 (3) For purposes of this section, the minimum contribution
37 amount for a calendar year means two hundred fifty thousand
38 dollars (\$250,000) for the 1999 calendar year or the minimum
39 contribution amount adjusted pursuant to subdivision (c).

1 (c) For each calendar year, beginning with calendar year 2000,
2 the Franchise Tax Board shall adjust, on or before September 1 of
3 that calendar year, the estimated contribution amount specified in
4 subdivision (b) as follows:

5 (1) The minimum contribution amount for the calendar year
6 shall be an amount equal to the product of the minimum
7 contribution amount for the prior calendar year multiplied by the
8 inflation factor adjustment as specified in paragraph (2) of
9 subdivision (h) of Section 17041, rounded off to the nearest dollar.

10 (2) The inflation factor adjustment used for the calendar year
11 shall be based on the figures for the percentage change in the
12 California Consumer Price Index received on or before August 1
13 of the calendar year pursuant to paragraph (1) of subdivision (h)
14 of Section 17041.

15 (d) Notwithstanding the repeal of this article, any contribution
16 amounts designated pursuant to this article prior to its repeal shall
17 continue to be transferred and disbursed in accordance with this
18 article as in effect immediately prior to that repeal.