

AMENDED IN SENATE APRIL 15, 2008
AMENDED IN SENATE FEBRUARY 15, 2008

SENATE BILL

No. 1101

Introduced by Senator Cedillo

January 15, 2008

An act to amend 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 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~~ *designation* 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 for Families Fund, which is established by

1 Section 18852. That designation is to be used as a voluntary
2 checkoff on the tax return.

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

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

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

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

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

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

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

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

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

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

9 SEC. 4. Section 18855 of the Revenue and Taxation Code is
10 amended to read:

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

15 (b) (1) By September 1, 2006, and by September 1 of each
16 subsequent calendar year that the Emergency Food for Families
17 Fund appears on a tax return, the Franchise Tax Board shall do all
18 of the following:

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

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

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

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

38 (3) For purposes of this section, the minimum contribution
39 amount for a calendar year means two hundred fifty thousand

1 dollars (\$250,000) for the 1999 calendar year or the minimum
2 contribution amount adjusted pursuant to subdivision (c).

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

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

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

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