

Senate Bill No. 1101

CHAPTER 203

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

[Approved by Governor July 25, 2008. Filed with
Secretary of State July 25, 2008.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1101, 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 designation to the "Emergency Food for Families Fund," and would extend the operation of those provisions until January 1, 2014.

The people of the State of California do enact as follows:

SECTION 1. Section 18851 of the Revenue and Taxation Code is amended to read:

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

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

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

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

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

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

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

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

18853. All money transferred to the Emergency Food Assistance Program Fund, upon appropriation by the Legislature, shall be allocated as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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