

AMENDED IN ASSEMBLY JULY 2, 2008

AMENDED IN SENATE MAY 23, 2008

AMENDED IN SENATE APRIL 17, 2008

AMENDED IN SENATE APRIL 3, 2008

**SENATE BILL**

**No. 1502**

---

---

**Introduced by Senator Steinberg**

(Principal coauthor: Assembly Member Garrick)

(Coauthors: Assembly Members Adams, Aghazarian, Cook, Silva,  
Smyth, and Strickland)

February 21, 2008

---

---

An act to add and repeal Article 17 (commencing with Section 18881) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to amyotrophic lateral sclerosis (ALS).

LEGISLATIVE COUNSEL'S DIGEST

SB 1502, as amended, Steinberg. Amyotrophic lateral sclerosis (ALS).

Existing law contains various provisions relating to the administration of personal income taxes allowing individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would allow taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the ALS/Lou Gehrig's Disease Research Fund, which would be created by this bill.

This bill would provide that all money contributed to the fund pursuant to these provisions would be subject to appropriation by the Legislature, as specified.

This bill would provide that these voluntary contribution provisions are repealed on January 1, 2013, or for the taxable year beginning on

or after January 1 of the calendar year in which the Franchise Tax Board estimates, by September 1, that the contributions made on returns filed in that calendar year will be less than a minimum contribution amount, whichever occurs first.

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. Article 17 (commencing with Section 18881) is  
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and  
3 Taxation Code, to read:

4

5 Article 17. ALS/Lou Gehrig’s Disease Research Fund

6

7 18881. The Legislature finds and declares all of the following:

8 (a) Amyotrophic lateral sclerosis (ALS), more commonly known  
9 as Lou Gehrig’s disease, is a degenerative disease of the motor  
10 nerves that causes progressive weakness of all voluntary muscles.  
11 People with ALS become unable to move, swallow, speak, and  
12 breathe without assistance, usually remaining fully aware of what  
13 is happening to them and their families.

14 (b) ALS is a fatal disease. There is no cure and only one drug  
15 therapy, which allows the patient a month or two more of life.  
16 Most ALS patients die within two to five years of symptom onset.  
17 Every 90 minutes someone is diagnosed with ALS and every 90  
18 minutes someone dies of the disease. ALS knows no racial, ethnic,  
19 or socioeconomic boundaries, often striking people at midlife and  
20 at the height of family and financial responsibilities.

21 (c) The devastating physical, emotional, and financial effects  
22 caused by the progression of ALS and the 24-hour,  
23 seven-day-a-week caregiving required ~~impacts~~ *impact* not only  
24 the patient, but the entire family. ALS is a family disease and the  
25 need for research is dire.

26 (d) It is the intent of the Legislature, in enacting this article, to  
27 establish a systematic program to conduct research regarding the  
28 cause, cure, and prevention of ALS. The outcome of this research  
29 may have direct effects and consequences on the development of  
30 a comprehensive system that may identify the cause, cure, and  
31 prevention of ALS, as well as improving the screening, diagnosis,

1 and treatment of victims of ALS. This program shall award grants  
2 to eligible physicians, hospitals, laboratories, educational  
3 institutions, and other organizations and persons for the purpose  
4 of enabling organizations and persons to conduct research.

5 18882. (a) Any individual may designate on the tax return that  
6 a contribution in excess of the tax liability, if any, be made to the  
7 ALS/Lou Gehrig’s Disease Research Fund, which is established  
8 by Section 18883.

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

11 (c) A designation under subdivision (a) shall be made for any  
12 taxable year on the ~~individual~~ *initial* return for that taxable year,  
13 and once made shall be irrevocable. In the event that payment and  
14 credits reported on the return, together with any other credits  
15 associated with the individual’s account, do not exceed the  
16 individual’s liability, the return shall be treated as though no  
17 designation has been made.

18 (d) ~~The~~ *When another voluntary contribution designation is*  
19 *removed from the tax return, the* Franchise Tax Board shall revise  
20 the forms of the return to include a space labeled the “ALS/Lou  
21 Gehrig’s Disease Research Fund” to allow for the designation  
22 permitted under subdivision (a). The forms shall also include in  
23 the instructions, information that the contribution may be in the  
24 amount of one dollar (\$1) or more and that the contribution shall  
25 be used to conduct research relating to the cure, screening, and  
26 treatment of ALS.

27 (e) ~~It is the intent of the Legislature that the 2008 tax return~~  
28 ~~include a space for the ALS/Lou Gehrig’s Disease Research Fund.~~

29 (e) *It is the intent of the Legislature that the ALS/Lou Gehrig’s*  
30 *Disease Research Fund be placed on the tax return as soon as*  
31 *space is available.*

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

35 18883. There is hereby established in the State Treasury the  
36 ALS/Lou Gehrig’s Disease Research Fund to receive contributions  
37 made pursuant to Section 18882. The Franchise Tax Board shall  
38 notify the Controller of both the amount of money paid by  
39 taxpayers in excess of their tax liability and the amount of refund  
40 money ~~which~~ *that* taxpayers have designated pursuant to Section

1 18882 to be transferred to the ALS/Lou Gehrig’s Disease Research  
2 Fund. The Controller shall transfer from the Personal Income Tax  
3 Fund to the ALS/Lou Gehrig’s Disease Research Fund an amount  
4 not in excess of the sum of the amounts designated by individuals  
5 pursuant to Section 18882 for payment into that fund.

6 18884. All money transferred to the ALS/Lou Gehrig’s Disease  
7 Research Fund, upon appropriation by the Legislature, shall be  
8 allocated as follows:

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

12 ~~(b) To the State Department of Public Health, to provide grants~~  
13 ~~for the conduct of research to physicians, hospitals, laboratories,~~  
14 ~~educational institutions, and other organizations and persons, and~~  
15 ~~to reimburse any costs incurred by the department for administering~~  
16 ~~the grant program pursuant to this section.~~

17 (b) *To the University of California, San Francisco, for allocation*  
18 *to a national nonprofit health organization, exempt from taxation*  
19 *under Section 501(c)(3) of the Internal Revenue Code, dedicated*  
20 *solely to the fight against ALS, to provide research grants to*  
21 *develop and advance the understanding, techniques, and modalities*  
22 *effective in the prevention, treatment, and cure of ALS.*

23 18885. For the purpose of this article, “research” shall include,  
24 but not be limited to, *clinical trials, as well as expenditures to*  
25 *develop and advance the understanding, techniques, and modalities*  
26 *effective in the prevention, cure, screening, and treatment of ALS.*

27 18886. (a) Unless repealed earlier pursuant to subdivision (b),  
28 this article shall remain in effect only until January 1, 2013, and  
29 as of that date is repealed, unless a later enacted statute, which is  
30 enacted before January 1, 2013, deletes or extends that date.

31 ~~(b) (1) By September 1, 2009, and by September 1 of each~~  
32 ~~subsequent calendar year that the ALS/Lou Gehrig’s Disease~~  
33 ~~Research Fund appears on the tax return, the Franchise Tax Board~~  
34 ~~shall do all of the following:~~

35 (b) (1) *By September 1 of the first calendar year that the*  
36 *ALS/Lou Gehrig’s Disease Research Fund appears on the tax*  
37 *return, and by September 1 of each subsequent calendar year, the*  
38 *Franchise Tax Board shall do all of the following:*

39 (A) Determine the minimum contribution amount required to  
40 be received during the next calendar year for the fund to appear

1 on the tax return for the taxable year that includes the next calendar  
2 year.

3 (B) Provide written notification to the ~~State Department of~~  
4 ~~Public Health~~ *University of California, San Francisco*, of the  
5 amount determined in subparagraph (A).

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

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

19 (3) For purposes of this section, “minimum contribution amount”  
20 for a calendar year means two hundred fifty thousand dollars  
21 (\$250,000) for ~~calendar year 2010~~ *the second calendar year that*  
22 *the ALS/Lou Gehrig’s Disease Research Fund appears on the tax*  
23 *return*, or the minimum contribution amount adjusted pursuant to  
24 subdivision (c).

25 (c) For each calendar year beginning with the ~~2011 calendar~~  
26 ~~year~~ *third calendar year that the ALS/Lou Gehrig’s Disease*  
27 *Research Fund appears on the tax return*, the Franchise Tax Board  
28 shall adjust, on or before September 1 of that calendar year, the  
29 minimum contribution amount specified in subdivision (b) as  
30 follows:

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

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

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

O