

AMENDED IN SENATE JUNE 28, 2010

AMENDED IN SENATE JUNE 16, 2010

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CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL

No. 2017

**Introduced by Assembly Member Hall
(Coauthors: Assembly Members Gilmore and Jeffries)**

February 17, 2010

An act to add and repeal Article 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, and to add Chapter 4 (commencing with Section 2200) to Division 2.5 of the Welfare and Institutions Code, relating to youth. *Taxation Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2017, as amended, Hall. ~~California YMCA Youth and Government Program: personal income taxes: voluntary contribution. Personal income taxes: voluntary contributions: California Youth Leadership Fund.~~

~~Existing law provides various services for youth in the state.~~

~~This bill would, with respect to the California YMCA Youth and Government Program which trains high school students about the legislative process, authorize each member of the Senate and each member of the Assembly to appoint one youth member from each member's district to participate in the program.~~

The Personal Income Tax Law authorizes taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would additionally allow individuals to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California ~~YMCA Youth and Government~~ *Leadership* Fund, which would be created by this bill. The bill would require money in that fund, upon appropriation by the Legislature, to be allocated to specified nonprofit civic youth organizations as annual grants to operate civic education and mock legislative programs, as prescribed, and *the balance of the money* to the California YMCA Youth and Government program, ~~as prescribed~~, for the purpose of funding the activities of the California YMCA Youth and Government Model Legislature and Court Program *and to the Joint Committee on Rules of the California Legislature, for the purposes of funding the activities of the California Youth Legislature, as prescribed.*

The bill would require the Franchise Tax Board, when another voluntary contribution designation is removed, to revise the form of tax returns to provide for the designation created by this bill, and would allow, upon appropriation by the Legislature, the Franchise Tax Board, and the Controller to receive a portion of the funds designated to cover costs incurred in collecting and administering the funds.

The bill would provide that these provisions would remain in effect only until January 1 of the 5th taxable year following the first appearance of the California ~~YMCA Youth and Government~~ *Leadership* Fund on the tax return, but would further provide that if the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not equal or exceed the minimum contribution amount, as defined, for the calendar year, these provisions would be repealed with respect to taxable years beginning on or after January 1 of that calendar year.

This bill would become operative only if Senate Bill 516 of the 2009–10 Regular Session of the Legislature is chaptered and becomes operative.

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 4.5 (commencing with Section 18736) 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 4.5. California ~~YMCA Youth and Government~~
6 *Leadership Fund*
7

8 18736. (a) An individual may designate on the tax return that
9 a contribution in excess of the tax liability, if any, be made to the
10 California ~~YMCA Youth and Government~~ *Leadership Fund*,
11 established by Section 18737.

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

14 (c) A designation under subdivision (a) shall be made for any
15 taxable year on the original return for that taxable year, and once
16 made is irrevocable. If payments and credits reported on the return,
17 together with any other credits associated with the individual's
18 account, do not exceed the individual's tax liability, the return
19 shall be treated as though no designation has been made.

20 (d) If an individual designates a contribution to more than one
21 account or fund listed on the tax return, and the amount available
22 for designation is insufficient to satisfy the total amount designated,
23 the contribution shall be allocated among the designees on a pro
24 rata basis.

25 (e) The Franchise Tax Board shall revise the form of the return
26 to include a space labeled "California ~~YMCA Youth and~~
27 ~~Government~~ *Leadership Fund*" to allow for the designation
28 permitted under subdivision (a). The form shall also include in the
29 instructions information that the contribution may be in the amount
30 of one dollar (\$1) or more and that the contribution shall be used
31 ~~to conduct the sessions of the California Youth and Government~~
32 ~~Model Legislature and Court Program operated by the YMCA,~~
33 ~~and to support its ongoing activities on behalf of youth. support~~
34 ~~the YMCA Youth and Government Program, the California Youth~~
35 ~~Legislature, the African American Youth Leadership Program, the~~
36 ~~Asian Pacific Youth Leadership Project, and the Chicano Latino~~
37 ~~Youth Leadership Project.~~

1 (f) Notwithstanding any other provision, a voluntary contribution
2 designation for the California ~~YMCA Youth and Government~~
3 *Leadership* Fund shall not be added on the tax return until another
4 voluntary contribution designation is removed.

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

8 18737. There is hereby established in the State Treasury the
9 California ~~YMCA Youth and Government~~ *Leadership* Fund to
10 receive contributions made pursuant to Section 18736. The
11 Franchise Tax Board shall notify the Controller of both the amount
12 of money paid by taxpayers in excess of their tax liability and the
13 amount of refund money that taxpayers have designated pursuant
14 to Section 18736 to be transferred to the California ~~YMCA Youth~~
15 ~~and Government~~ *Leadership* Fund. The Controller shall transfer
16 from the Personal Income Tax Fund to the California ~~YMCA~~
17 ~~Youth and Government~~ *Leadership* Fund an amount not in excess
18 of the sum of the amounts designated by individuals pursuant to
19 Section 18736 for payment into that fund.

20 18738. All moneys transferred to the California ~~YMCA Youth~~
21 ~~and Government~~ *Leadership* Fund pursuant to Section 18736, upon
22 appropriation by the Legislature, shall be allocated as follows:

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

26 (b) ~~(1)~~ To provide an annual grant of ~~twenty fifteen~~ thousand
27 dollars ~~(\$20,000)~~ *(\$15,000)* to each of the following nonprofit
28 civic youth organizations in order to operate civic education and
29 mock legislative programs:

30 ~~(A)~~
31 *(1)* African American Youth Leadership Program.

32 ~~(B)~~
33 *(2)* Asian Pacific Youth Leadership Project.

34 ~~(C)~~
35 *(3)* Chicano Latino Youth Leadership Project.

36 ~~(2) Additional non-profit civic youth organizations may apply~~
37 ~~for a grant of up to ten thousand dollars (\$10,000) each in order~~
38 ~~to operate civic education and mock legislative programs.~~

39 ~~(A) Grants shall be administered by the California YMCA Youth~~
40 ~~and Government Board of Directors, who shall be responsible for~~

1 ~~developing criteria, evaluating applications and awarding grants~~
2 ~~on an annual basis.~~

3 ~~(B) Total annual grants awarded under this paragraph shall not~~
4 ~~exceed forty thousand dollars (\$40,000) per year.~~

5 (c) The balance to *be equally distributed between* the California
6 YMCA Youth and Government Program, for its ongoing activities
7 on behalf of youth *and to the Joint Committee on Rules of the*
8 *California Legislature to support the California Youth Legislature,*
9 *pursuant to Chapter 4 (commencing with Section 2200) of Division*
10 *2.5 of the Welfare and Institutions Code.*

11 (d) All moneys allocated pursuant to subdivision (c) of this
12 section may be carried over from the year in which they were
13 received.

14 (e) The funds allocated to the California YMCA Youth and
15 Government Program shall be used for the purpose of funding the
16 activities of the California Youth and Government Model
17 Legislature and Court Program and shall be spent pursuant to the
18 purview of the YMCA Youth and Government Board of Directors
19 in a manner consistent with the bylaws of the organization, ~~except~~
20 ~~as provided in subdivision (b).~~

21 *(f) The funds allocated to the Joint Committee on Rules of the*
22 *California Legislature shall be used for the purpose of funding*
23 *the activities of the California Youth Legislature, pursuant to*
24 *Chapter 4 (commencing with Section 2200) of Division 2.5 of the*
25 *Welfare and Institutions Code.*

26 18739. (a) Except as otherwise provided in subdivision (b),
27 this article shall remain operative only until January 1 of the fifth
28 taxable year following the first appearance of the California ~~YMCA~~
29 ~~Youth and Government Leadership~~ Fund on the tax return.

30 (b) (1) By September 1 of the second calendar year, and by
31 September 1 of each subsequent calendar year that the California
32 ~~YMCA Youth and Government Leadership~~ Fund appears on a tax
33 return, the Franchise Tax Board shall do all of the following:

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

38 (B) Provide written notification to the California YMCA Youth
39 and Government Program *and the Joint Committee on Rules of*

1 *the California Legislature* of the amount determined in
 2 subparagraph (A).

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

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

16 (3) For purposes of this section, the “minimum contribution
 17 amount” for a calendar year means two hundred fifty thousand
 18 dollars (\$250,000) for the second calendar year after the first
 19 taxable year for which the California ~~YMCA Youth and~~
 20 ~~Government Leadership~~ Fund appears on the tax return, or the
 21 minimum contribution amount adjusted pursuant to subdivision
 22 (c).

23 (c) For each calendar year, beginning with the third calendar
 24 year that the California ~~YMCA Youth and Government Leadership~~
 25 Fund appears on the tax return, the Franchise Tax Board shall
 26 adjust, on or before September 1 of that calendar year, the
 27 minimum estimated contribution amount specified in subdivision
 28 (b) as follows:

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

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

39 (d) Notwithstanding the repeal of this article, any contribution
 40 amounts designated pursuant to this article prior to its repeal shall

1 continue to be transferred and disbursed in accordance with this
2 article as in effect immediately prior to that repeal.

3 ~~SEC. 2. Chapter 4 (commencing with Section 2200) is added~~
4 ~~to Division 2.5 of the Welfare and Institutions Code, to read:~~

5

6 ~~CHAPTER 4. CALIFORNIA YMCA YOUTH AND GOVERNMENT~~
7 ~~PROGRAM~~

8

9 ~~2200. To be eligible to participate in the California YMCA~~
10 ~~Youth and Government Program, youths shall be 14 to 18 years~~
11 ~~of age, inclusive, and currently enrolled in a California high school~~
12 ~~or participating in a nonpublic, home-based educational program~~
13 ~~or a general equivalency degree program.~~

14 ~~2202. (a) Each Member of the Senate and each Member of~~
15 ~~the Assembly may appoint one youth member from his or her~~
16 ~~district to participate in the California YMCA Youth and~~
17 ~~Government Model Legislature and Court Program.~~

18 ~~(b) Members of the Senate and Members of the Assembly, in~~
19 ~~making their appointments, shall take into consideration that the~~
20 ~~members of the California YMCA Youth and Government Program~~
21 ~~represent the racial, ethnic, socioeconomic, cultural, physical, and~~
22 ~~educational diversity of California. Particular emphasis should be~~
23 ~~placed on reaching out to at-risk or disadvantaged youth to serve~~
24 ~~as members of the California YMCA Youth and Government~~
25 ~~Program, as their participation will provide keen insight into many~~
26 ~~of the issues that youth face in their day-to-day lives.~~

27 ~~(c) State funds shall not be used to support the California YMCA~~
28 ~~Youth and Government Program, except as provided in Article~~
29 ~~4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2~~
30 ~~of Division 2 of the Revenue and Taxation Code.~~

31 ~~(d) This section does not preclude the California YMCA Youth~~
32 ~~and Government Program from entering into mutually agreed-upon~~
33 ~~interagency agreements for any subsequent fiscal year.~~

34 ~~2203. (a) The funds for the California YMCA Youth and~~
35 ~~Government Program shall be allocated from the California YMCA~~
36 ~~Youth and Government Fund or private funds directed to the~~
37 ~~Legislature for the purpose of funding activities of the California~~
38 ~~YMCA Youth and Government Program.~~

1 ~~(b) The California YMCA Youth and Government Program~~
2 ~~may accept gifts and grants from any source, public or private, to~~
3 ~~help perform its functions.~~

4 *SEC. 2. This act shall become operative only if Senate Bill 516*
5 *of the 2009–10 Regular Session of the Legislature is chaptered*
6 *and becomes operative.*