

AMENDED IN SENATE AUGUST 3, 2010

AMENDED IN SENATE JUNE 28, 2010

AMENDED IN SENATE JUNE 16, 2010

AMENDED IN ASSEMBLY MAY 28, 2010

AMENDED IN ASSEMBLY APRIL 27, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

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**ASSEMBLY BILL**

**No. 2017**

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

February 17, 2010

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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, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2017, as amended, Hall. Personal income taxes: voluntary contributions: California Youth Leadership Fund.

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 Youth Leadership Fund, which would be created by this bill. The bill would require money in that fund, upon appropriation by the Legislature *and depending on the amount of donations collected*, 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, 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 Youth 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 Youth Leadership Fund  
6

7 18736. (a) An individual may designate on the tax return that  
8 a contribution in excess of the tax liability, if any, be made to the  
9 California Youth Leadership Fund, established by Section 18737.

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

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

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

12 (e) The Franchise Tax Board shall revise the form of the return  
13 to include a space labeled "California Youth Leadership Fund" to  
14 allow for the designation permitted under subdivision (a). The  
15 form shall also include in the instructions information that the  
16 contribution may be in the amount of one dollar (\$1) or more and  
17 that the contribution shall be used to support the YMCA Youth  
18 and Government Program, the California Youth Legislature, the  
19 African American Youth Leadership Program, the Asian Pacific  
20 Youth Leadership Project, and the Chicano Latino Youth  
21 Leadership Project.

22 (f) Notwithstanding any other provision, a voluntary contribution  
23 designation for the California Youth Leadership Fund shall not be  
24 added on the tax return until another voluntary contribution  
25 designation is removed.

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

29 18737. There is hereby established in the State Treasury the  
30 California Youth Leadership Fund to receive contributions made  
31 pursuant to Section 18736. The Franchise Tax Board shall notify  
32 the Controller of both the amount of money paid by taxpayers in  
33 excess of their tax liability and the amount of refund money that  
34 taxpayers have designated pursuant to Section 18736 to be  
35 transferred to the California Youth Leadership Fund. The  
36 Controller shall transfer from the Personal Income Tax Fund to  
37 the California Youth Leadership Fund an amount not in excess of  
38 the sum of the amounts designated by individuals pursuant to  
39 Section 18736 for payment into that fund.

1 18738. (a) All moneys transferred to the California Youth  
2 Leadership Fund pursuant to Section 18736, upon appropriation  
3 by the Legislature, shall be allocated as follows:

4 (a)

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

8 ~~(b) To provide an annual grant of fifteen thousand dollars~~  
9 ~~(\$15,000) to each of the following nonprofit civic youth~~  
10 ~~organizations in order to operate civic education and mock~~  
11 ~~legislative programs:~~

12 ~~(1) African American Youth Leadership Program.~~

13 ~~(2) Asian Pacific Youth Leadership Project.~~

14 ~~(3) Chicano Latino Youth Leadership Project.~~

15 ~~(c) The balance to be equally distributed between the California~~  
16 ~~YMCA Youth and Government Program, for its ongoing activities~~  
17 ~~on behalf of youth and to the Joint Committee on Rules of the~~  
18 ~~California Legislature to support the California Youth Legislature,~~  
19 ~~pursuant to Chapter 4 (commencing with Section 2200) of Division~~  
20 ~~2.5 of the Welfare and Institutions Code.~~

21 *(2) If the California Youth Leadership Fund collects donations*  
22 *of less than two hundred and fifty thousand dollars (\$250,000),*  
23 *all remaining funds shall be equally distributed between the*  
24 *California YMCA Youth and Government Program, for its ongoing*  
25 *activities on behalf of youth, and the Joint Committee on Rules to*  
26 *support the California Youth Legislature, pursuant to Chapter 4*  
27 *(commencing with Section 2200) of Division 2.5 of the Welfare*  
28 *and Institutions Code.*

29 *(3) If the California Youth Leadership Fund collects donations*  
30 *in excess of two hundred fifty thousand dollars (\$250,000), but*  
31 *less than three hundred thousand dollars (\$300,000), the balance*  
32 *of the fund shall be distributed as follows:*

33 *(A) To provide an annual grant of ten thousand dollars*  
34 *(\$10,000) to each of the following nonprofit civic youth*  
35 *organizations in order to operate civic education and mock*  
36 *legislative programs:*

37 *(i) African American Youth Leadership Program.*

38 *(ii) Asian Pacific Youth Leadership Project.*

39 *(iii) Chicano Latino Youth Leadership Project.*

1 (B) All remaining funds shall be equally distributed between  
2 the California YMCA Youth and Government Program, for its  
3 ongoing activities on behalf of youth, and the Joint Committee on  
4 Rules to support the California Youth Legislature, pursuant to  
5 Chapter 4 (commencing with Section 2200) of Division 2.5 of the  
6 Welfare and Institutions Code.

7 (4) If the California Youth Leadership Fund collects donations  
8 in excess of three hundred thousand dollars (\$300,000), the  
9 balance of the fund shall be distributed as follows:

10 (A) To provide an annual grant of twenty thousand dollars  
11 (\$20,000) to each of the following nonprofit civic youth  
12 organizations in order to operate civic education and mock  
13 legislative programs:

14 (i) African American Youth Leadership Program.

15 (ii) Asian Pacific Youth Leadership Project.

16 (iii) Chicano Latino Youth Leadership Project.

17 (B) All remaining funds shall be equally distributed between  
18 the California YMCA Youth and Government Program, for its  
19 ongoing activities on behalf of youth, and the Joint Committee on  
20 Rules to support the California Youth Legislature, pursuant to  
21 Chapter 4 (commencing with Section 2200) of Division 2.5 of the  
22 Welfare and Institutions Code.

23 ~~(d)~~

24 (b) All moneys allocated pursuant to ~~subdivision (e)~~ paragraph  
25 (2) of subdivision (a), subparagraph (B) of paragraph (3) of  
26 subdivision (a), or subparagraph (B) of paragraph (4) of  
27 subdivision (a) of this section may be carried over from the year  
28 in which they were received.

29 ~~(e)~~

30 (c) The funds allocated to the California YMCA Youth and  
31 Government Program shall be used for the purpose of funding the  
32 activities of the California Youth and Government Model  
33 Legislature and Court Program and shall be spent pursuant to the  
34 purview of the YMCA Youth and Government Board of Directors  
35 in a manner consistent with the bylaws of the organization.

36 ~~(f)~~

37 (d) The funds allocated to the Joint Committee on Rules ~~of the~~  
38 California Legislature shall be used for the purpose of funding the  
39 activities of the California Youth Legislature, pursuant to Chapter

1 4 (commencing with Section 2200) of Division 2.5 of the Welfare  
2 and Institutions Code.

3 18739. (a) Except as otherwise provided in subdivision (b),  
4 this article shall remain operative only until January 1 of the fifth  
5 taxable year following the first appearance of the California Youth  
6 Leadership Fund on the tax return.

7 (b) (1) By September 1 of the second calendar year, and by  
8 September 1 of each subsequent calendar year that the California  
9 Youth Leadership Fund appears on a tax return, the Franchise Tax  
10 Board shall do all of the following:

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

15 (B) Provide written notification to the California YMCA Youth  
16 and Government Program and the Joint Committee on Rules of  
17 the California Legislature of the amount determined in  
18 subparagraph (A).

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

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

32 (3) For purposes of this section, the “minimum contribution  
33 amount” for a calendar year means two hundred fifty thousand  
34 dollars (\$250,000) for the second calendar year after the first  
35 taxable year for which the California Youth Leadership Fund  
36 appears on the tax return, or the minimum contribution amount  
37 adjusted pursuant to subdivision (c).

38 (c) For each calendar year, beginning with the third calendar  
39 year that the California Youth Leadership Fund appears on the tax  
40 return, the Franchise Tax Board shall adjust, on or before

1 September 1 of that calendar year, the minimum estimated  
2 contribution amount specified in subdivision (b) as follows:

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

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

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

17 SEC. 2. This act shall become operative only if Senate Bill  
18 516 of the 2009–10 Regular Session of the Legislature is chaptered  
19 and becomes operative.