

ASSEMBLY BILL

No. 971

Introduced by Assembly Member Monning

February 18, 2011

An act to amend and repeal Section 18753 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 971, as introduced, Monning. Personal income tax: voluntary contributions: California Sea Otter Fund.

The Personal Income Tax Law allows individual taxpayers to contribute amounts in excess of their tax liability for the support of specified funds, including the California Sea Otter Fund. Existing law repeals the California Sea Otter Fund after January 1 of the 5th taxable year following the first appearance of the fund on the tax return, or on 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 the returns filed in that calendar year will be less than a minimum contribution amount, as specified, whichever occurs first.

This bill extends the California Sea Otter Fund's repeal date until January 1 of the 10th taxable year following the first appearance of the fund on the tax return, or on 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 the returns filed in that calendar year will be less than a minimum contribution amount, as specified, whichever occurs first.

This bill makes legislative findings and declarations as to the necessity of the California Sea Otter Fund.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Sea otters serve many important roles with the nearshore
- 4 marine ecosystem, including as a sentinel of many forms of
- 5 pollution and diseased organisms harmful to other animals and
- 6 humans. Monitoring the health and population of sea otters is a
- 7 useful tool for improving ocean health and for protecting domestic
- 8 animal and human health and welfare. Continuance of these
- 9 programs is highly encouraged.
- 10 (b) The sea otter population is threatened by a variety of
- 11 stressors, including declines in habitat quality and increased
- 12 exposure to various forms of pollution. Because of these stressors,
- 13 the total number of sea otters in California is less than 3,000, and
- 14 the surviving population continues to experience high mortality
- 15 and periodic population declines.
- 16 (c) Efforts to benefit sea otters and their natural habitats in
- 17 California should include:
- 18 (1) Investigating ecological and environmental factors that
- 19 contribute to poor southern sea otter survival.
- 20 (2) Conducting in-depth studies of specific causes of sea otter
- 21 mortality, the connections of those causes to environmental factors
- 22 and anthropogenic activities, and the potential means for mitigating
- 23 and preventing those causes.
- 24 (3) Characterizing the full range of pathogens and pollutants
- 25 that cause illness and death in southern sea otters.
- 26 (4) Characterizing the source and population significance of
- 27 harmful algal blooms and other water quality problems that can
- 28 sicken or cause the death of sea otters, other marine wildlife, and
- 29 humans.
- 30 (d) The California Sea Otter Fund should remain on the
- 31 Franchise Tax Board's list of voluntary contribution funds at least
- 32 through 2016. The California Sea Otter Fund provides crucial
- 33 funding to help scientists examine and understand causes of sea
- 34 otter mortality, identify key factors limiting population growth
- 35 and recovery, and work cooperatively and collaboratively with

1 stakeholders to help mitigate and prevent environmental
2 degradation and pollution of the nearshore marine ecosystem. This
3 fund is made possible entirely through voluntary contributions by
4 citizens of California. The past success of the California Sea Otter
5 Fund, despite recent economic hardships experienced by
6 California's citizens, reflects a strong collective interest in
7 conserving this charismatic and important animal. There are no
8 other dedicated state funding sources available to continue this
9 important work.

10 SEC. 2. Section 18753 of the Revenue and Taxation Code is
11 amended to read:

12 18753. (a) This article shall remain in effect only until January
13 1 of the ~~fifth~~ 10th taxable year following the first appearance of
14 the California Sea Otter Fund on the tax return, and as of that date
15 is repealed, ~~unless a later enacted statute, that is enacted before~~
16 ~~the applicable date, deletes or extends that date.~~

17 (b) (1) By September 1 of the second calendar year beginning
18 after the first taxable year the California Sea Otter Fund appears
19 on a tax return and by September 1 of each subsequent calendar
20 year that the California Sea Otter Fund appears on a tax return,
21 the Franchise Tax Board shall do both of the following:

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

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

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

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

1 (\$250,000) for the second calendar year after the first taxable year
2 for which the California Sea Otter Fund appears on the tax return,
3 or the minimum contribution amount adjusted pursuant to
4 subdivision (c).

5 (c) For each calendar year, beginning with the third calendar
6 year that the California Sea Otter Fund appears on the tax return,
7 the Franchise Tax Board shall adjust, on or before September 1 of
8 that calendar year, the minimum contribution amount specified in
9 subdivision (b) as follows:

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

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

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