

AMENDED IN ASSEMBLY MAY 4, 2011

AMENDED IN ASSEMBLY APRIL 15, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1175

**Introduced by Assembly Member Fletcher
(Coauthor: Assembly Member Perea)**

February 18, 2011

An act to add Section 19304 *to the* Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1175, as amended, Fletcher. Franchise Tax Board: refunds: direct deposit: ~~529 savings account~~. *taxpayer form instructions*.

Existing law requires the Franchise Tax Board to make a refund to a taxpayer of any overpayment of taxes. Existing law ~~requires the Franchise Tax Board to revise the returns to allow a taxpayer to designate financial institutions for direct deposit of a refund~~ *authorizes taxpayers to contribute their refunds for the support of specified funds or accounts*.

This bill would require ~~the Franchise Tax Board to revise returns to allow a taxpayer to explicitly designate a 529 college savings account for direct deposit of the taxpayer's refund~~. This bill would also require the Franchise Tax Board to revise taxpayer form instructions to include the ability of a taxpayer to directly deposit a portion of ~~the a~~ refund into the Golden State Scholarshare College Savings Trust, as defined. This bill would require the Scholarshare Investment Board to provide the Franchise Tax Board with a description of that trust program before a

date specified by the Franchise Tax Board, and that the revisions be completed in the most cost-effective manner.

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. Section 19304 is added to the Revenue and
2 Taxation Code, to read:

3 ~~19304. (a) The Franchise Tax Board shall revise returns~~
4 ~~required to be filed, pursuant to Article 1 (commencing with~~
5 ~~Section 18501) of Chapter 2 of Part 10.2 of Division 2 to allow a~~
6 ~~taxpayer, who is an individual, to explicitly designate a 529 college~~
7 ~~savings account, as provided in Section 529 of the Internal Revenue~~
8 ~~Code, for direct deposit of the taxpayer's refund.~~

9 ~~(b)~~

10 19304. (a) The Franchise Tax Board shall revise taxpayer
11 form instructions to include information about split refund options,
12 including, but not limited to, the ability of a taxpayer to directly
13 deposit a portion of the refund into the Golden State Scholarshare
14 College Savings Trust.

15 (e)

16 (b) The Scholarshare Investment Board shall provide the
17 Franchise Tax Board with a description of the Golden State
18 Scholarshare College Savings Trust on or before a specified date
19 provided by the Franchise Tax Board. *The length of the description*
20 *shall be five lines or less.*

21 ~~(d)~~

22 (c) The Franchise Tax Board shall revise ~~the return and the~~
23 ~~taxpayer form instruction in the most cost-effective manner. For~~
24 ~~purposes of the return, cost-effective manner means, but is not~~
25 ~~limited to, adding the 529 college savings account to the return as~~
26 ~~a type of account to which a direct deposit is made, while utilizing~~
27 ~~the current form and manner for purposes of the routing number,~~
28 ~~account number, and amount of the direct deposit designation.~~

29 (e)

- 1 (*d*) For purposes of this section, “Golden State Scholarshare
- 2 College Savings Trust” has the meaning set forth in subdivision
- 3 (*e*) of Section 69980 of the Education Code.

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