

ASSEMBLY BILL

No. 2625

Introduced by Assembly Member Solorio

February 24, 2012

An act to add Chapter 3.5 (commencing with Section 18900) to Part 10.2 of Division 2 of, and to add Section 19304 to, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2625, as introduced, Solorio. Franchise Tax Board: returns: Scholarshare.

The Golden State Scholarshare Trust Act establishes the Golden State Scholarshare Trust, under the administration of the Scholarshare Investment Board, to provide financial aid for postsecondary education costs of participating students. Existing law requires the Franchise Tax Board to make a refund to a taxpayer of any overpayment of taxes. Existing law authorizes taxpayers to contribute their refunds for the support of specified funds or accounts.

This bill would authorize a taxpayer to designate on the tax return that a contribution in excess of tax liability, as specified, be deposited by the Franchise Tax Board to the credit of the taxpayer's Scholarshare qualified tuition program account under the Golden State Scholarshare College Savings Trust program. This bill would require the Franchise Tax Board to revise the form of the return to include the necessary information that will allow a taxpayer to make this designation, as provided.

This bill would also require the board to revise the taxpayer return form to allow a taxpayer to open a Scholarshare qualified tuition program account under the Golden State Scholarshare College Savings

Trust program, and would require the Scholarshare Investment Board to provide the board with the necessary information needed to revise that form.

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. Chapter 3.5 (commencing with Section 18900)
2 is added to Part 10.2 of Division 2 of the Revenue and Taxation
3 Code, to read:

4
5 CHAPTER 3.5. DIRECTED DEPOSITS
6

7 18900. (a) A taxpayer may designate on the tax return that a
8 contribution in excess of tax liability, if any, be deposited to the
9 credit of the taxpayer’s Scholarshare qualified tuition program
10 account under the Golden State Scholarshare College Savings
11 Trust program.

12 (b) The designation shall be allowed only if the designation is
13 a full dollar amount that is in excess of one dollar (\$1).

14 (c) The Franchise Tax Board shall revise the form of the return
15 to include a space to allow the designation permitted under
16 subdivision (a), and any other information that may be necessary
17 to carry out this chapter, including, but not limited to, the
18 following:

19 (1) The amount of the designation.

20 (2) The routing number and account number of the Scholar
21 share qualified tuition program.

22 (d) If the tax payments and the designation reported on the return
23 do not exceed the tax liability, if any, shown thereon, the tax return
24 shall be treated as though the designation had not been made.

25 (e) The designation authorized under subdivision (a) shall be
26 limited to one Scholar share qualified tuition program per return.

27 (f) For purposes of this section, “Golden State Scholar share
28 College Savings Trust” has the meaning set forth in subdivision
29 (e) of Section 69980 of the Education Code.

30 18901. If a taxpayer designates a voluntary contribution
31 pursuant to Chapter 3 (commencing with Section 18701) and a
32 directed deposit pursuant to this chapter, and the amount in excess

1 of tax liability is less than the total amount designated, the amount
2 in excess of tax liability shall be allocated among the designees
3 on a pro rata basis.

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

6 19304. (a) The Franchise Tax Board shall revise the taxpayer
7 return form, for returns required to be filed pursuant to Article 1
8 (commencing with Section 18501) of Chapter 2 of Part 10.2 of
9 Division 2, to allow a taxpayer to open a Scholar share qualified
10 tuition program account under the Golden State Scholar share
11 College Savings Trust program.

12 (b) The Scholar share Investment Board shall provide the
13 Franchise Tax Board with the necessary information needed to
14 revise the taxpayer return form to allow a taxpayer to open a
15 Scholar share qualified tuition program account under the Golden
16 State Scholar share College Savings Trust program.

17 (c) For purposes of this section, “Golden State Scholar share
18 College Savings Trust” has the meaning set forth in subdivision
19 (e) of Section 69980 of the Education Code.

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