

AMENDED IN SENATE JUNE 26, 2012

AMENDED IN ASSEMBLY MAY 1, 2012

AMENDED IN ASSEMBLY APRIL 9, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2625

Introduced by Assembly Member Solorio

February 24, 2012

An act to amend Section 69992 of the Education Code, and to add Sections ~~Section 18409.1, 18511, and 19569~~ to, *and to add and repeal* Chapter 3.5 (commencing with Section 18900) ~~to~~ *of* Part 10.2 of Division 2 of, ~~and to repeal Section 18900 of,~~ the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2625, as amended, Solorio. Golden State Scholarshare Trust: Franchise Tax Board: returns.

The Golden State Scholarshare Trust Act establishes the Golden State Scholarshare Trust, under the administration of the Scholarshare Investment Board, which provides methods by which an individual can contribute to an account for paying specified costs for a student for postsecondary education and requires the board to market the program to Californians. 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 an individual 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 individual’s qualified tuition program account, as defined.

~~This bill would require the Franchise Tax Board to revise the taxpayer return form to allow an individual to request information about the Scholarshare qualified tuition program, as provided, and would also require the Franchise Tax Board and the Golden State Scholarshare Trust Scholarshare Investment Board to provide information to taxpayers on their respective Internet Web sites and marketing materials regarding the qualified tuition program designation on the income tax return.~~

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 69992 of the Education Code is amended
2 to read:

3 69992. (a) The board shall aggressively market this program
4 to the citizens of the State of California. The board shall include
5 in its marketing efforts information designed to educate citizens
6 about the benefits of saving for higher education and information
7 to help them decide the level of Scholarshare participation and the
8 combination of savings strategies that may be appropriate for them.
9 The board shall also develop a mechanism to keep participants in
10 this program motivated about their current and future academic
11 endeavors.

12 (b) The board shall include information regarding the direct
13 deposit program established by Chapter 3.5 (commencing with
14 Section 18900) of Part 10.2 of Division 2 of the Revenue and
15 Taxation Code on its Internet Web site and within its marketing
16 materials *when timely and appropriate*.

17 SEC. 2. Section 18409.1 is added to the Revenue and Taxation
18 Code, to read:

19 18409.1. The Franchise Tax Board shall include information
20 regarding the direct deposit program established by Chapter 3.5
21 (commencing with Section 18900) on its Internet Web site and
22 within its marketing materials *when timely and appropriate*.

23 ~~SEC. 3. Section 18511 is added to the Revenue and Taxation~~
24 ~~Code, to read:~~

1 ~~18511. (a) The Franchise Tax Board shall revise the individual~~
 2 ~~taxpayer return form, for returns required to be filed pursuant to~~
 3 ~~this article, to allow a taxpayer to request information regarding~~
 4 ~~the Scholarshare qualified tuition program under the Golden State~~
 5 ~~Scholarshare College Savings Trust program.~~

6 ~~(b) The request for information described in subdivision (a)~~
 7 ~~shall be located near the voluntary contribution checkoff described~~
 8 ~~in Chapter 3.5 (commencing with Section 18900) and shall include~~
 9 ~~the following written information:~~

10
 11 ~~“If you are interested in receiving information regarding the~~
 12 ~~Scholarshare qualified tuition program and how to sign up for a~~
 13 ~~Scholarshare qualified tuition program, please check here.”~~

14
 15 ~~SEC. 4.~~

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

19
 20 CHAPTER 3.5. DIRECTED DEPOSITS

21
 22 18900. (a) An individual may designate on the tax return that
 23 a contribution in excess of tax liability, if any, be deposited to the
 24 credit of the individual’s qualified tuition program account.

25 (b) The designation shall be allowed only if the designation is
 26 a full dollar amount that is in excess of ~~one dollar (\$1)~~ *twenty-five*
 27 *dollars (\$25).*

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

- 33 (1) The amount of the designation.
- 34 (2) The routing number and account number of the qualified
- 35 tuition program.

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

39 (e) For purposes of this section, “qualified tuition program”
 40 means a Scholarshare qualified tuition program or a qualified

1 tuition program as defined in Section 529 of the Internal Revenue
2 Code.

3 ~~(f) This section shall remain in effect only until January 1, 2020,~~
4 ~~and as of that date is repealed, unless a later enacted statute, that~~
5 ~~is enacted before January 1, 2020, deletes or extends that date.~~

6 18901. If an individual designates a voluntary contribution
7 pursuant to Chapter 3 (commencing with Section 18711) and a
8 directed deposit pursuant to this chapter, and the amount in excess
9 of tax liability is less than the total amount designated, the amount
10 in excess of tax liability shall be allocated among the designees
11 on a pro rata basis.

12 *18902. This chapter shall remain in effect only until January*
13 *1, 2020, and as of that date is repealed.*

14 ~~SEC. 5. Section 19569 is added to the Revenue and Taxation~~
15 ~~Code, to read:~~

16 ~~19569. (a) Subject to the limitations of this section and federal~~
17 ~~law, the Franchise Tax Board may, upon request by a taxpayer as~~
18 ~~reflected on a tax return filed by that taxpayer under this part,~~
19 ~~provide the Golden State Scholarshare College Savings Trust with~~
20 ~~the names and addresses from individual income tax returns~~
21 ~~required under Part 10 (commencing with Section 17001) or this~~
22 ~~part solely for the purpose of providing information regarding the~~
23 ~~Scholarshare qualified tuition program under the Golden State~~
24 ~~Scholarshare College Savings Trust program.~~

25 ~~(b) Neither the Golden State Scholarshare College Savings~~
26 ~~Trust, nor its agents, nor any of its current or former officers or~~
27 ~~employees, shall disclose or use any information obtained pursuant~~
28 ~~to this section except as provided in this section.~~

29 ~~(c) The Franchise Tax Board may, from time to time, review~~
30 ~~the use of information provided to the Golden State Scholarshare~~
31 ~~College Savings Trust pursuant to this section and the Golden State~~
32 ~~Scholarshare College Savings Trust shall provide the Franchise~~
33 ~~Tax Board with access for that purpose. The reviews shall be~~
34 ~~limited to ensuring that the Golden State Scholarshare College~~
35 ~~Savings Trust uses the information provided by the Franchise Tax~~
36 ~~Board only in the manner specified in subdivision (a). The~~
37 ~~Franchise Tax Board shall report all findings to the Golden State~~
38 ~~Scholarshare College Savings Trust.~~

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