

AMENDED IN ASSEMBLY AUGUST 24, 2012

SENATE BILL

No. 1359

Introduced by Senator Simitian

February 24, 2012

An act to amend ~~Section 42231 of the Public Resources Code, relating to solid waste~~ Sections 18796 and 18864 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1359, as amended, Simitian. ~~Solid waste: compost.~~ *Personal income taxes: contributions: California Breast Cancer Research Fund: California Cancer Research Fund.*

Personal Income Tax Law allows taxpayers, until January 1, 2013, to designate on their tax returns that a specified amount in excess of their tax liability be contributed to the California Breast Cancer Research Fund.

This bill would extend the operation of those provisions until January 1, 2018.

The Personal Income Tax Law allows taxpayers to designate on their tax returns that a specified amount in excess of their tax liability be contributed to the California Cancer Research Fund. Existing law provides that these provisions are repealed on either January 1 of the 5th taxable year following the taxable year the fund first appears on the personal income tax return or on January 1 of an earlier taxable year, if the Franchise Tax Board estimates that the annual contribution amount will be less than \$250,000, or an adjusted amount, as specified, for subsequent taxable years.

This bill would instead provide that these provisions are repealed on either January 1, 2018, or on January of an earlier taxable year, if the Franchise Tax Board estimates that the annual contribution amount will be less than the amounts described above.

~~The California Integrated Waste Management Act of 1989, which is administered by the Department of Resources Recycling and Recovery, defines “compost” for purposes of the act as the product resulting from the controlled biological decomposition of organic wastes that are source separated from the municipal solid waste stream or source separated at a centralized facility and includes vegetable, yard, and wood wastes that are not hazardous waste. Existing law also defines “compost” for purposes of certain provisions within the act requiring the purchase of compost by state agencies in similar a manner except that it does not include wastes source separated at a centralized facility and does not specify that wastes include vegetable, yard, or wood wastes that are not hazardous waste.~~

~~This bill would revise the definition of compost applicable to state agency purchases to conform to the definition applicable to the whole act.~~

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. 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 18796 of the Revenue and Taxation Code
2 is amended to read:

3 18796. (a) This article shall remain in effect only until January
4 1, ~~2013~~ 2018, and as of that date is repealed, ~~unless a later enacted~~
5 statute, ~~which is enacted before January 1, 2013, deletes that date.~~

6 (b) (1) By September 1, 2006, and by September 1 of each
7 subsequent calendar year that the California Breast Cancer
8 Research Fund appears on a tax return, the Franchise Tax Board
9 shall do all of the following:

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

1 (B) Provide written notification to the University of California
2 of the amount determined in subparagraph (A).

3 (C) Determine whether the amount of contributions estimated
4 to be received during the calendar year will equal or exceed the
5 minimum contribution amount determined by the Franchise Tax
6 Board for the calendar year pursuant to subparagraph (A). The
7 Franchise Tax Board shall estimate the amount of the contributions
8 to be received by using the actual amounts received and an estimate
9 of the contributions that will be received by the end of that calendar
10 year.

11 (2) If the Franchise Tax Board determines that the amount of
12 contributions estimated to be received during a calendar year will
13 not at least equal the minimum contribution amount for the calendar
14 year, this article is repealed with respect to taxable years beginning
15 on or after January 1 of that calendar year.

16 (3) For purposes of this section, the minimum contribution
17 amount for a calendar year means two hundred fifty thousand
18 dollars (\$250,000) for the 1997 calendar year or the minimum
19 contribution amount adjusted pursuant to subdivision (c).

20 (c) For each calendar year, beginning with calendar year 1998,
21 the Franchise Tax Board shall adjust, on or before September 1 of
22 that calendar year, the minimum contribution amount specified in
23 subdivision (b) as follows:

24 (1) The minimum contribution amount for the calendar year
25 shall be an amount equal to the product of the minimum
26 contribution amount for the prior calendar year multiplied by the
27 inflation factor adjustment as specified in paragraph (2) of
28 subdivision (h) of Section 17041, rounded off to the nearest dollar.

29 (2) The inflation factor adjustment used for the calendar year
30 shall be based on the figures for the percentage change in the
31 California Consumer Price Index that are received on or before
32 August 1 of the calendar year pursuant to paragraph (1) of
33 subdivision (h) of Section 17041.

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

38 *SEC. 2. Section 18864 of the Revenue and Taxation Code is*
39 *amended to read:*

1 18864. (a) Except as otherwise provided in subdivision (b),
2 this article shall remain in effect only until January 1 of the fifth
3 taxable year following the first appearance of the California Cancer
4 Research Fund on the personal income tax return, 2018, and as of
5 that date is repealed, unless a later enacted statute, that is enacted
6 before the applicable date, deletes or extends that date.

7 (b) (1) By September 1 of the second calendar year and each
8 subsequent calendar year that the California Cancer Research Fund
9 appears on the tax return, the Franchise Tax Board shall do all of
10 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 Regents of the University
16 of California of the amount determined in subparagraph (A).

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

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

30 (3) For purposes of this section, the minimum contribution
31 amount for a calendar year means two hundred fifty thousand
32 dollars (\$250,000) for the second calendar year after the first
33 appearance of the California Cancer Research Fund on the personal
34 income tax return or the adjusted minimum contribution amount
35 adjusted pursuant to subdivision (c).

36 (c) For each calendar year, beginning with the third calendar
37 year after the first appearance of the California Cancer Research
38 Fund on the personal income tax return, the Franchise Tax Board
39 shall adjust, on or before September 1 of that calendar year, the

1 minimum contribution amount specified in subdivision (b) as
2 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 estimated contribution amount for the calendar year multiplied by
6 the inflation factor adjustment as specified in subparagraph (A) of
7 paragraph (2) of subdivision (h) of Section 17041, rounded off to
8 the nearest dollar.

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

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

18 ~~SECTION 1. Section 42231 of the Public Resources Code is~~
19 ~~amended to read:~~

20 ~~42231. "Compost" has the same meaning as defined in Section~~
21 ~~40116.~~

22 ~~SEC. 2.~~

23 ~~SEC. 3. This act is an urgency statute necessary for the~~
24 ~~immediate preservation of the public peace, health, or safety within~~
25 ~~the meaning of Article IV of the Constitution and shall go into~~
26 ~~immediate effect. The facts constituting the necessity are:~~

27 ~~Due to the need to encourage the use of composting, thereby~~
28 ~~protecting the public health and safety and the environment~~

29 ~~*In order to ensure that taxpayers are allowed to continue to*~~
30 ~~*contribute amounts in excess of their tax liability for the support*~~
31 ~~*of cancer research, it is necessary that this act take effect*~~
32 ~~immediately.~~