

**ASSEMBLY BILL**

**No. 394**

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**Introduced by Assembly Members Yamada and Grove**

February 15, 2013

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An act to amend Section 18766 of the Revenue and Taxation Code, relating to personal income tax.

LEGISLATIVE COUNSEL'S DIGEST

AB 394, as introduced, Yamada. Personal income tax: voluntary contributions: Alzheimer's disease.

The Personal Income Tax Law allows taxpayers, until January 1, 2015, to contribute amounts in excess of their tax liability for the support of the California Alzheimer's Disease and Related Disorders Research Fund, unless earlier repealed for failure to meet annual minimum contribution amounts.

This bill would extend the date, January 1, 2015, to January 1, 2020.

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 18766 of the Revenue and Taxation Code  
2 is amended to read:  
3 18766. (a) ~~This~~ *Except as otherwise provided in paragraph*  
4 *(2) of subdivision (b), this article shall remain in effect only until*  
5 *January 1, 2015 2020, and as of that date December 1 of that year*  
6 *is repealed, unless a later enacted statute, which is enacted before*  
7 *January 1, 2015, deletes that date.*

1 (b) (1) By September 1, 2006, and by September 1 of each  
 2 subsequent calendar year that the California Alzheimer’s Disease  
 3 and Related Disorders Research Fund appears on a tax return, the  
 4 Franchise Tax Board shall do all of the following:

5 (A) Determine the minimum contribution amount required to  
 6 be received during the next calendar year for the fund to appear  
 7 on the tax return for the taxable year that includes that next calendar  
 8 year.

9 (B) Provide written notification to the Secretary of California  
 10 Health and Human Services of the amount determined in  
 11 subparagraph (A).

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

20 (2) If the Franchise Tax Board determines that the amount of  
 21 contributions estimated to be received during a calendar year will  
 22 not at least equal the minimum contribution amount for the calendar  
 23 year, ~~this article is repealed~~ *shall be inoperative* with respect to  
 24 taxable years beginning on or after January 1 of that calendar year  
 25 *and shall be repealed on December 1 of that year.*

26 (3) For purposes of this section, the minimum contribution  
 27 amount for a calendar year means two hundred fifty thousand  
 28 dollars (\$250,000) for the 2000 calendar year or the minimum  
 29 contribution amount *as* adjusted pursuant to subdivision (c).

30 (c) For each calendar year, beginning with calendar year 2001,  
 31 the Franchise Tax Board shall adjust, on or before September 1 of  
 32 that calendar year, the minimum contribution amount specified in  
 33 subdivision (b) as follows:

34 (1) The minimum contribution amount for the calendar year  
 35 shall be an amount equal to the product of the minimum  
 36 contribution amount for the prior calendar year multiplied by the  
 37 inflation factor adjustment as specified in paragraph (2) of  
 38 subdivision (h) of Section 17041, rounded off to the nearest dollar.

39 (2) The inflation factor adjustment used for the calendar year  
 40 shall be based on the figures for the percentage change in the

1 California Consumer Price Index received on or before August 1  
2 of the calendar year pursuant to paragraph (1) of subdivision (h)  
3 of Section 17041.

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

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