

AMENDED IN ASSEMBLY APRIL 18, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 394**

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**Introduced by Assembly Members Yamada and Grove**  
*(Principal coauthors: Assembly Members Achadjian, Allen, Ammiano, Bonilla, Buchanan, Chesbro, Beth Gaines, Garcia, Hagman, Harkey, Nestande, Olsen, Quirk-Silva, Rendon, Ting, Wagner, Wilk, and Williams)*

*(Coauthors: Senators Fuller, Hill, and Knight)*

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 amended, 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tax liability for the support of the California Alzheimer's Disease and Related Disorders Research Fund, unless earlier repealed for failure to meet annual minimum contribution amounts.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~~ *make these provisions effective for taxable years beginning before 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) Except as otherwise provided in paragraph (2) of  
4 subdivision (b), this article shall remain in effect only ~~until~~ *for*  
5 *taxable years beginning before* January 1, 2020, and as of  
6 December 1 of that year is repealed .

7 (b) (1) By September 1, 2006, and by September 1 of each  
8 subsequent calendar year that the California Alzheimer’s Disease  
9 and Related Disorders Research Fund appears on a tax return, the  
10 Franchise Tax Board shall do all of 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 Secretary of California  
16 Health and Human Services of the amount determined in  
17 subparagraph (A).

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

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31 repealed on December 1 of that year.

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

36 (c) For each calendar year, beginning with calendar year 2001,  
37 the Franchise Tax Board shall adjust, on or before September 1 of

1 that calendar year, the minimum contribution amount specified in  
2 subdivision (b) as follows:

3 (1) The minimum contribution amount for the calendar year  
4 shall be an amount equal to the product of the minimum  
5 contribution amount for the prior calendar year multiplied by the  
6 inflation factor adjustment as specified in paragraph (2) of  
7 subdivision (h) of Section 17041, rounded off to the nearest dollar.

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

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