

AMENDED IN ASSEMBLY APRIL 29, 2013

AMENDED IN ASSEMBLY APRIL 11, 2013

AMENDED IN ASSEMBLY MARCH 14, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 754**

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**Introduced by Assembly Member Muratsuchi**

February 21, 2013

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An act to add and repeal Article 5.1 (commencing with Section 18745) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 754, as amended, Muratsuchi. Income taxes: voluntary contributions: California Beach and Coastal Enhancement Account.

The Personal Income Tax Law authorizes individuals to contribute amounts in excess of their tax liability for the support of specified funds. Existing law creates the California Beach and Coastal Enhancement Account in the California Environmental License Plate Fund.

This bill would authorize individuals to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California Beach and Coastal Enhancement Account. This bill would require that all moneys contributed to the account pursuant to these provisions, upon appropriation by the Legislature, be allocated to the Franchise Tax Board and the Controller for reimbursement and to the California Coastal Commission for grants and programs that preserve, protect, or enhance coastal resources and promote coastal and marine educational activities for underserved communities.

This bill would provide that these voluntary contribution provisions are inoperative and repealed, respectively, on the earlier of January 1 of the 5th taxable year following the taxable year the account first appears on the tax return and December 1 of that year; or for taxable years beginning on or after January 1 of the calendar year in which the Franchise Tax Board estimates by September 1 that the contributions made on returns filed in that calendar year will be less than \$250,000, or an adjusted amount for subsequent taxable years, and on December 1 of that calendar year.

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. Article 5.1 (commencing with Section 18745) is  
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and  
3 Taxation Code, to read:

4  
5 Article 5.1. California Beach and Coastal Enhancement Account  
6

7 18745. (a) An individual may designate on the tax return that  
8 a contribution in excess of tax liability, if any, be made to the  
9 California Beach and Coastal Enhancement Account established  
10 by paragraph (1) of subdivision (c) of Section 5067 of the Vehicle  
11 Code.

12 (b) A contribution shall be in full dollar amounts and may be  
13 made individually by each signatory on a joint return.

14 (c) A designation made under subdivision (a) shall be made for  
15 any taxable year on the original return for that taxable year, and  
16 once made shall be irrevocable. In the event that payments and  
17 credits reported on the return, together with any other credits  
18 associated with the individual’s account, do not exceed the  
19 individual’s tax liability, if any, the return shall be treated as though  
20 no designation had been made. In the event that no designee is  
21 specified, the contribution shall, after reimbursement of the direct  
22 actual costs of the Franchise Tax Board for the collection and  
23 administration of funds under this article, be transferred to the  
24 General Fund.

25 (d) If an individual designates a contribution to more than one  
26 account or fund listed on the tax return, and the amount available

1 is insufficient to satisfy the total amount designated, the  
2 contribution shall be allocated among the designated accounts on  
3 a pro rata basis.

4 (e) The Franchise Tax Board shall revise the form of the return  
5 to include a space labeled the “California Beach and Coastal  
6 Enhancement Account” to allow for the designation permitted  
7 under subdivision (a). The form shall also include in the  
8 instructions information that the contribution may be in the amount  
9 of one dollar (\$1) or more and that the contribution shall be used  
10 for grants and programs that preserve, protect, or enhance coastal  
11 resources and promote coastal and marine educational activities  
12 for underserved communities.

13 (f) Notwithstanding any other law, a voluntary contribution  
14 designation for the California Beach and Coastal Enhancement  
15 Account shall not be added on the tax return until another voluntary  
16 contribution designation is removed or as soon as space is  
17 available.

18 (g) A deduction shall be allowed under Article 6 (commencing  
19 with Section 17201) of Chapter 3 of Part 10 for any contribution  
20 made pursuant to subdivision (a).

21 18746. The Franchise Tax Board shall notify the Controller of  
22 both the amount of money paid by individuals in excess of their  
23 tax liability and the amount of refund money that individuals have  
24 designated pursuant to Section 18745 to be transferred to the  
25 California Beach and Coastal Enhancement Account. The  
26 Controller shall transfer from the Personal Income Tax Fund to  
27 the California Beach and Coastal Enhancement Account an amount  
28 not in excess of the sum of the amounts designated by individuals  
29 pursuant to Section 18745 for payment into that account.

30 18747. All money transferred to the California Beach and  
31 Coastal Enhancement Account, pursuant to Section 18745, upon  
32 appropriation by the Legislature, shall be allocated as follows:

33 (a) To the Franchise Tax Board and the Controller for  
34 reimbursement of all costs incurred by the Franchise Tax Board  
35 and the Controller in connection with their duties under this article.

36 (b) (1) To the California Coastal Commission to support eligible  
37 programs awarded *grants* under the selection criteria established  
38 by the California Coastal Commission for the Whale Tail Grants  
39 Program, and for direct program-related expenses.

1 (2) All ~~money~~ *moneys* allocated pursuant to paragraph (1) may  
2 be carried over from the year in which they were received.  
3 18748. (a) Except as otherwise provided in subdivision (b),  
4 this article shall remain in effect only until January 1 of the fifth  
5 taxable year following the first appearance of the California Beach  
6 and Coastal Enhancement Account on the personal income tax  
7 return, and is repealed as of December 1 of that year.  
8 (b) (1) By September 1 of the second calendar year and each  
9 subsequent calendar year that the California Beach and Coastal  
10 Enhancement Account appears on the tax return, the Franchise  
11 Tax Board shall do all of the following:  
12 (A) Determine the minimum contribution amount required to  
13 be received during the next calendar year for the account to appear  
14 on the tax return for the taxable year that includes that next calendar  
15 year and provide written notification to the California Coastal  
16 Commission of the amount determined.  
17 (B) 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 inoperative with respect to taxable  
29 years beginning on or after January 1 of that calendar year, and  
30 shall be repealed on December 1 of that calendar year.  
31 (3) For purposes of this section, the minimum contribution  
32 amount for a calendar year means two hundred fifty thousand  
33 dollars (\$250,000) for the second calendar year after the first  
34 appearance of the California Beach and Coastal Enhancement  
35 Account on the personal income tax return or the minimum  
36 contribution amount as adjusted pursuant to subdivision (c).  
37 (c) For each calendar year, beginning with the third calendar  
38 year after the first appearance of the California Beach and Coastal  
39 Enhancement Account on the personal income tax return, the  
40 Franchise Tax Board shall adjust, on or before September 1 of that

1 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 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 for all items received on or before  
12 August 1 of the calendar year pursuant to paragraph (1) of  
13 subdivision (h) 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.

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