

AMENDED IN ASSEMBLY MAY 20, 2013
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

Introduced by Assembly Member Muratsuchi

February 21, 2013

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~~, *under the designation titled "Protect Our Coast and Oceans Fund," that a contribution* in excess of their tax liability ~~be transferred~~ *made* 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This bill would provide that these voluntary contribution provisions are inoperative and repealed, respectively, on the earlier of January 1 of the 5th taxable year following the taxable year the account first appears on the tax return and December 1 of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,
8 *under the space titled "Protect Our Coast and Oceans Fund,"* that
9 a contribution in excess of tax liability, if any, be made to the
10 California Beach and Coastal Enhancement Account established
11 by paragraph (1) of subdivision (c) of Section 5067 of the Vehicle
12 Code.

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

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

1 administration of funds under this article, be transferred to the
2 General Fund.

3 (d) If an individual designates a contribution to more than one
4 account or fund listed on the tax return, and the amount available
5 is insufficient to satisfy the total amount designated, the
6 contribution shall be allocated among the designated accounts on
7 a pro rata basis.

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

17 (f) Notwithstanding any other law, a voluntary contribution
18 designation for the ~~California Beach and Coastal Enhancement
19 Account~~ *Protect Our Coast and Oceans Fund* shall not be added
20 on the tax return until another voluntary contribution designation
21 is removed or as soon as space is available.

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

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

34 18747. All money *designated under the Protect Our Coast and
35 Oceans Fund space on a tax return* and transferred to the California
36 Beach and Coastal Enhancement Account, pursuant to Section
37 18745, upon appropriation by the Legislature, shall be allocated
38 as follows:

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

4 (b) (1) To the California Coastal Commission to support eligible
5 programs awarded grants under the selection criteria established
6 by the California Coastal Commission for the Whale Tail Grants
7 Program, and for direct program-related expenses.

8 (2) All moneys allocated pursuant to paragraph (1) may be
9 carried over from the year in which they were received.

10 18748. (a) Except as otherwise provided in subdivision (b),
11 this article shall remain in effect only until January 1 of the fifth
12 taxable year following the first appearance of the ~~California Beach~~
13 ~~and Coastal Enhancement Account~~ *Protect Our Coast and Oceans*
14 *Fund* on the personal income tax return, and is repealed as of
15 December 1 of that year.

16 (b) (1) By September 1 of the second calendar year and each
17 subsequent calendar year that the ~~California Beach and Coastal~~
18 ~~Enhancement Account~~ *Protect Our Coast and Oceans Fund*
19 appears on the tax return, the Franchise Tax Board shall do all of
20 the following:

21 (A) Determine the minimum contribution amount required to
22 be received during the next calendar year for the account to appear
23 on the tax return for the taxable year that includes that next calendar
24 year and provide written notification to the California Coastal
25 Commission of the amount determined.

26 (B) Determine whether the amount of contributions estimated
27 to be received during the calendar year will equal or exceed the
28 minimum contribution amount determined by the Franchise Tax
29 Board for the calendar year pursuant to subparagraph (A). The
30 Franchise Tax Board shall estimate the amount of contributions
31 to be received by using the actual amounts received and an estimate
32 of the contributions that will be received by the end of that calendar
33 year.

34 (2) If the Franchise Tax Board determines that the amount of
35 the contributions estimated to be received during a calendar year
36 will not at least equal the minimum contribution amount for the
37 calendar year, this article is inoperative with respect to taxable
38 years beginning on or after January 1 of that calendar year, and
39 shall be repealed on December 1 of that calendar year.

1 (3) For purposes of this section, the minimum contribution
2 amount for a calendar year means two hundred fifty thousand
3 dollars (\$250,000) for the second calendar year after the first
4 appearance of the ~~California Beach and Coastal Enhancement~~
5 ~~Account~~ *Protect Our Coast and Oceans Fund* on the personal
6 income tax return or the minimum contribution amount as adjusted
7 pursuant to subdivision (c).

8 (c) For each calendar year, beginning with the third calendar
9 year after the first appearance of the ~~California Beach and Coastal~~
10 ~~Enhancement Account~~ *Protect Our Coast and Oceans Fund* on
11 the personal income tax return, the Franchise Tax Board shall
12 adjust, on or before September 1 of that calendar year, the
13 minimum contribution amount specified in subdivision (b) as
14 follows:

15 (1) The minimum contribution amount for the calendar year
16 shall be an amount equal to the product of the minimum
17 contribution amount for the prior calendar year multiplied by the
18 inflation factor adjustment as specified in subparagraph (A) of
19 paragraph (2) of subdivision (h) of Section 17041, rounded off to
20 the nearest dollar.

21 (2) The inflation factor adjustment used for the calendar year
22 shall be based on the figures for the percentage change in the
23 California Consumer Price Index for all items received on or before
24 August 1 of the calendar year pursuant to paragraph (1) of
25 subdivision (h) of Section 17041.

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