

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 485

Introduced by Assembly Member Williams
(Principal coauthor: Senator Allen)

February 23, 2015

~~An act to amend Section 17003 of the Revenue and Taxation Code, relating to taxation.~~ *An act to add and repeal Article 23 (commencing with Section 18901) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 485, as amended, Williams. ~~Personal income taxes.~~ *Personal income taxes: voluntary contributions: Prevention of Animal Homelessness and Cruelty Fund.*

Existing law allows an individual taxpayer to contribute amounts in excess of his or her personal income tax liability for the support of specified funds.

This bill would allow an individual to designate on his or her tax return that a specified amount in excess of his or her tax liability be transferred to the Prevention of Animal Homelessness and Cruelty Fund, which would be created by this bill. The bill would require the Franchise Tax Board to revise the tax return form to include a space for the designation of contributions to the fund when another voluntary designation is removed from the form or there is space, whichever occurs first.

This bill would require money contributed to the fund, upon appropriation by the Legislature, to be allocated to the Franchise Tax Board and the Controller for reimbursement of costs, as provided, and

to the Department of Food and Agriculture for the distribution of grants on a competitive basis to a city or county animal control agency or shelter, as specified, for the purposes of, among other things, funding programs designed to prevent and eliminate cat and dog homelessness.

The bill would provide that these provisions would remain in effect only until January 1 of the 5th taxable year following the first appearance of the Prevention of Animal Homelessness and Cruelty Fund on the tax return, or January 1, 2022, whichever occurs first, but would further provide for an earlier repeal if the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount, as defined, for that calendar year, in which case these provisions would be repealed on December 1 of that year.

~~The Personal Income Tax Law imposes taxes on income and provides a definition for the Franchise Tax Board for purposes of that law.~~

~~This bill would make a nonsubstantive change to that definition.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Article 23 (commencing with Section 18901) 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 23. Prevention of Animal Homelessness and Cruelty
6 Fund
7

8 18901. (a) An individual may designate on the tax return that
9 a contribution in excess of the tax liability, if any, be made to the
10 Prevention of Animal Homelessness and Cruelty Fund established
11 by Section 18901.1. That designation is to be used as a voluntary
12 contribution on the tax return.

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

15 (c) A designation under subdivision (a) shall be made for a
16 taxable year on the initial return for that taxable year and once
17 made is irrevocable. If payments and credits reported on the return,
18 together with any other credits associated with the taxpayer's
19 account, do not exceed the taxpayer's liability, the return shall be

1 *treated as though no designation has been made. If a contribution*
2 *is specified, but a designee is not specified, the contribution shall*
3 *be transferred to the General Fund after reimbursement of the*
4 *direct actual costs of the Franchise Tax Board for the collection*
5 *and administration of funds under this article.*

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

11 *(e) When another voluntary contribution designation is removed*
12 *from the tax return, or as soon as space is available, whichever*
13 *occurs first, the Franchise Tax Board shall revise the form of the*
14 *return to include a space labeled the “Prevention of Animal*
15 *Homelessness and Cruelty Fund” to allow for the designation*
16 *permitted. The form shall also include in the instructions*
17 *information that the contribution may be in the amount of one*
18 *dollar (\$1) or more and that the contribution shall be used to fund*
19 *all of the following:*

20 *(1) Programs designed to prevent and eliminate cat and dog*
21 *homelessness.*

22 *(2) Research that explores novel approaches to preventing and*
23 *eliminating pet homelessness.*

24 *(3) Prevention, investigation, and prosecution of animal cruelty*
25 *and neglect.*

26 *(f) A deduction shall be allowed under Article 6 (commencing*
27 *with Section 17201) of Chapter 3 of Part 10 for any contribution*
28 *made pursuant to subdivision (a).*

29 *18901.1. There is hereby established in the State Treasury the*
30 *Prevention of Animal Homelessness and Cruelty Fund to receive*
31 *contributions made pursuant to Section 18901. The Franchise Tax*
32 *Board shall notify the Controller of both the amount of money paid*
33 *by taxpayers in excess of their tax liability and the amount of refund*
34 *money that taxpayers have designated pursuant to Section 18901*
35 *to be transferred to the Prevention of Animal Homelessness and*
36 *Cruelty Fund. The Controller shall transfer from the Personal*
37 *Income Tax Fund to the Prevention of Animal Homelessness and*
38 *Cruelty Fund an amount not in excess of the sum of the amounts*
39 *designated by individuals pursuant to Section 18901 for payment*
40 *into that fund.*

1 18901.2. (a) All money transferred to the Prevention of Animal
2 Homelessness and Cruelty Fund, upon appropriation by the
3 Legislature, shall be allocated as follows:

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

7 (2) To the Department of Food and Agriculture for the
8 distribution of grants to a city or county animal control agency or
9 shelter that is current on its reporting requirements to the State
10 Department of Public Health, Veterinary Public Health Section.
11 Funds obtained by a municipality under a grant from the
12 Prevention of Animal Homelessness and Cruelty Fund may be
13 used to pay for the following:

14 (A) Programs designed to prevent and eliminate cat and dog
15 homelessness.

16 (B) Research that explores novel approaches to preventing and
17 eliminating pet homelessness.

18 (C) Prevention, investigation, and prosecution of animal cruelty
19 and neglect.

20 (b) Grants distributed pursuant to this article may be paid to
21 outside agencies that are under contract or in a demonstrated
22 partnership with that municipality to conduct these activities.

23 (c) The Department of Food and Agriculture shall award grants
24 through a competitive, project-specific grant process and shall be
25 responsible for overseeing that grant program. A grantee shall
26 not use a grant award for administrative expenses or for any
27 purposes outside of California.

28 18901.3. (a) Except as otherwise provided in subdivision (b),
29 this article shall remain in effect only until January 1 of the fifth
30 taxable year following the first appearance of the Prevention of
31 Animal Homelessness and Cruelty Fund on the tax return, or
32 January 1, 2022, whichever occurs first, and is repealed as of
33 December 1 of that year.

34 (b) (1) By September 1 of the second calendar year and by
35 September 1 of each subsequent calendar year that the Prevention
36 of Animal Homelessness and Cruelty Fund appears on the tax
37 return, the Franchise Tax Board shall do all of the following:

38 (A) Determine the minimum contribution amount required to
39 be received during the next calendar year for the fund to appear

1 on the tax return for the taxable year that includes that next
2 calendar year.

3 (B) Provide written notification to the Department of Food and
4 Agriculture of the amount determined in subparagraph (A).

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

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

19 (3) For purposes of this section, the minimum contribution
20 amount for a calendar year means two hundred fifty thousand
21 dollars (\$250,000) for the second calendar year after the first
22 appearance of the Prevention of Animal Homelessness and Cruelty
23 Fund on the personal income tax return or the adjusted minimum
24 contribution amount adjusted pursuant to subdivision (c).

25 (c) For each calendar year, beginning with the third calendar
26 year after the first appearance of the Prevention of Animal
27 Homelessness and Cruelty Fund on the tax return, the Franchise
28 Tax Board shall adjust, on or before September 1 of that calendar
29 year, the minimum estimated contribution amount specified in
30 subdivision (b) as follows:

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

36 (2) The inflation factor adjustment used for the calendar year
37 shall be based on the figures for the percentage change in the
38 California Consumer Price Index received on or before August 1
39 of the calendar year pursuant to paragraph (1) of subdivision (h)
40 of Section 17041.

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

5 SECTION 1. ~~Section 17003 of the Revenue and Taxation Code~~
6 ~~is amended to read:~~

7 17003. ~~“Franchise Tax Board” means the Franchise Tax Board~~
8 ~~described in Part 10 (commencing with Section 15700) of Division~~
9 ~~3 of Title 2 of the Government Code. “Board” means the State~~
10 ~~Board of Equalization.~~