

AMENDED IN SENATE JUNE 19, 2015

AMENDED IN ASSEMBLY APRIL 22, 2015

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 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: 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~~ *to, among others*, a city, county, or city and 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.~~ *purpose of supporting spay and neuter activities by that entity 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equal the minimum contribution amount, as defined, for that calendar year, in which case these provisions would be repealed on December 1 of that year.

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 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 original 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

1 account, do not exceed the taxpayer’s liability, the return shall be
2 treated as though no designation has been made.

3 (d) When another voluntary contribution designation is removed
4 from the tax return, or as soon as space is available, whichever
5 occurs first, the Franchise Tax Board shall revise the form of the
6 return to include a space labeled the “Prevention of Animal
7 Homelessness and Cruelty Fund” to allow for the designation
8 permitted. The form shall also include in the instructions
9 information that the contribution may be in the amount of one
10 dollar (\$1) or more and that the contribution shall be used to fund
11 all of the following:

12 (1) Programs designed to prevent and eliminate cat and dog
13 homelessness.

14 (2) Research that explores novel approaches to preventing and
15 eliminating pet homelessness.

16 (3) Prevention, investigation, and prosecution of animal cruelty
17 and neglect.

18 (e) 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 18901.1. There is hereby established in the State Treasury the
22 Prevention of Animal Homelessness and Cruelty Fund to receive
23 contributions made pursuant to Section 18901. The Franchise Tax
24 Board shall notify the Controller of both the amount of money
25 paid by taxpayers in excess of their tax liability and the amount
26 of refund money that taxpayers have designated pursuant to Section
27 18901 to be transferred to the Prevention of Animal Homelessness
28 and Cruelty Fund. The Controller shall transfer from the Personal
29 Income Tax Fund to the Prevention of Animal Homelessness and
30 Cruelty Fund an amount not in excess of the sum of the amounts
31 designated by individuals pursuant to Section 18901 for payment
32 into that fund.

33 18901.2. (a) All money transferred to the Prevention of Animal
34 Homelessness and Cruelty Fund, upon appropriation by the
35 Legislature, shall be allocated as follows:

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

39 ~~(2) To the Department of Food and Agriculture for the~~
40 ~~distribution of grants to a city, county, or city and county animal~~

1 ~~control agency or shelter that is current on its reporting~~
2 ~~requirements to the State Department of Public Health, Veterinary~~
3 ~~Public Health Section. Funds obtained by a city, county, or city~~
4 ~~and county under a grant from the Prevention of Animal~~
5 ~~Homelessness and Cruelty Fund may be used to pay for the~~
6 ~~following:~~

7 ~~(A) Programs designed to prevent and eliminate cat and dog~~
8 ~~homelessness:~~

9 ~~(B) Research that explores novel approaches to preventing and~~
10 ~~eliminating pet homelessness:~~

11 ~~(C) Prevention, investigation, and prosecution of animal cruelty~~
12 ~~and neglect.~~

13 ~~(b) Grants distributed pursuant to this article may be paid to~~
14 ~~outside agencies that are under contract or in a demonstrated~~
15 ~~partnership with that city, county, or city and county to conduct~~
16 ~~these activities:~~

17 *(2) To the Department of Food and Agriculture for the*
18 *distribution of grants as follows:*

19 *(A) The first two hundred fifty thousand dollars (\$250,000) shall*
20 *be distributed to, and used by, a city, county, or city and county*
21 *animal control agency or shelter that is current on its reporting*
22 *requirements to the State Department of Public Health, Veterinary*
23 *Public Health Section for the sole purpose of supporting spay and*
24 *neuter activities by that entity to prevent and eliminate cat and*
25 *dog homelessness.*

26 *(B) The remaining moneys, if any, shall be used by programs*
27 *designed to prevent and eliminate cat and dog homelessness or*
28 *programs for the prevention, investigation, and prosecution of*
29 *animal cruelty and neglect. The grants are to be distributed to a*
30 *city, county, or city and county animal control agency or shelter*
31 *that is current on its reporting requirements to the State*
32 *Department of Public Health, Veterinary Public Health Section,*
33 *a society for the prevention of cruelty to animals affiliate, or a*
34 *humane society affiliate. A society for the prevention of cruelty to*
35 *animals affiliate or a human society affiliate shall be in California,*
36 *in active status, as described on the business search page of the*
37 *Secretary of State’s Internet Web site, and exempt from federal*
38 *income taxation as an organization described in Section 501(c)(3)*
39 *of the Internal Revenue Code.*

40 ~~(e)~~

1 (b) The Department of Food and Agriculture shall award grants
2 through a competitive, project-specific grant process and shall be
3 responsible for overseeing that grant program. A grantee shall not
4 use a grant award for administrative expenses or for any purposes
5 outside of California.

6 18901.3. (a) Except as otherwise provided in subdivision (b),
7 this article shall remain in effect only until January 1 of the fifth
8 taxable year following the first appearance of the Prevention of
9 Animal Homelessness and Cruelty Fund on the tax return, or
10 January 1, 2022, whichever occurs first, and is repealed as of
11 December 1 of that year.

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

16 (A) Determine the minimum contribution amount required to
17 be received during the next calendar year for the fund to appear
18 on the tax return for the taxable year that includes that next calendar
19 year.

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

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

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

36 (3) For purposes of this section, the minimum contribution
37 amount for a calendar year means two hundred fifty thousand
38 dollars (\$250,000) for the second calendar year after the first
39 appearance of the Prevention of Animal Homelessness and Cruelty

1 Fund on the personal income tax return or the adjusted minimum
2 contribution amount adjusted pursuant to subdivision (c).

3 (c) For each calendar year, beginning with the third calendar
4 year after the first appearance of the Prevention of Animal
5 Homelessness and Cruelty Fund on the tax return, the Franchise
6 Tax Board shall adjust, on or before September 1 of that calendar
7 year, the minimum estimated contribution amount specified in
8 subdivision (b) as follows:

9 (1) The minimum contribution amount for the calendar year
10 shall be an amount equal to the product of the minimum
11 contribution amount for the prior calendar year, multiplied by the
12 inflation factor adjustment as specified in paragraph (2) of
13 subdivision (h) of Section 17041, rounded off to the nearest dollar.

14 (2) The inflation factor adjustment used for the calendar year
15 shall be based on the figures for the percentage change in the
16 California Consumer Price Index received on or before August 1
17 of the calendar year pursuant to paragraph (1) of subdivision (h)
18 of Section 17041.