

**ASSEMBLY BILL**

**No. 2371**

---

---

**Introduced by Assembly Member Frazier**

February 18, 2016

---

---

An act to amend Section 18871 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2371, as introduced, Frazier. Voluntary contributions.

Existing law authorizes an individual to designate on his or her personal income tax return that a specified amount in excess of his or her tax liability be transferred to various funds, and provides requirements relating to the placement of the funds on the tax return form and the effect of these provisions that govern the voluntary contributions.

This bill would make nonsubstantive changes to this provision.

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

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

- 1 SECTION 1. Section 18871 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 18871. In implementing this chapter, all of the following
- 4 requirements shall apply:
- 5 (a) Unless otherwise specifically required by law, each voluntary
- 6 contribution fund or account established by this chapter shall be
- 7 included on the forms of the return through the taxable year

1 immediately preceding the year of repeal of the article establishing  
2 that voluntary contribution fund or account.

3 (b) Notwithstanding the repeal of ~~any~~ *an* article of this chapter,  
4 the voluntary contribution fund or account specified in that article  
5 shall continue in effect until December 31 of the year of the repeal  
6 of that article, and any contribution designated pursuant to that  
7 article on a timely filed initial return for the taxable year  
8 immediately preceding the date of repeal shall be transferred and  
9 disbursed, and all costs incurred by the Franchise Tax Board and  
10 Controller in connection with the transfer and disbursement of  
11 these contribution amounts shall continue to be paid, in accordance  
12 with that article as it read immediately prior to its repeal.

13 (c) Unless otherwise specifically required by law, a contribution  
14 made to any voluntary contribution fund or account established  
15 by this chapter shall be subject to the following provisions:

16 (1) In the event that ~~no~~ *a* designee is *not* specified, the  
17 contribution shall, after reimbursement of the direct actual costs  
18 of the Franchise Tax Board for the collection and administration  
19 of contributions made under this article, be transferred to the  
20 General Fund.

21 (2) In the event an individual designates a contribution to more  
22 than one account or fund listed on the tax return, and the amount  
23 available is insufficient to satisfy the total amount designated, the  
24 contribution shall be allocated among the designees on a pro rata  
25 basis.

26 (d) (1) If the number of contingent voluntary contribution  
27 designations that are eligible to be added to the tax return for a  
28 taxable year is greater than the number of voluntary contribution  
29 designations removed, those contingent voluntary contribution  
30 designations that are eligible to be added to the tax return shall be  
31 added to the tax return in the order of the date of enactment, with  
32 the voluntary contribution designation with the earliest date of  
33 enactment to be added first.

34 (2) For purposes of this subdivision:

35 (A) A contingent voluntary contribution designation means a  
36 voluntary contribution designation authorized under this chapter  
37 that may not be added to the tax return until another voluntary  
38 contribution designation is removed from the tax form.

39 (B) The date of enactment of a contingent voluntary contribution  
40 designation authorized under this chapter shall be the date the act

1 authorizing the contingent voluntary contribution designation was  
2 filed with the Secretary of State. In the event that more than one  
3 act authorizing a contingent voluntary contribution designation is  
4 filed with the Secretary of State on the same date, the act with the  
5 lowest chapter number will be conclusively presumed to have been  
6 filed with the Secretary of State before any other act authorizing  
7 a contingent voluntary contribution designation with a higher  
8 number.

9 (e) Notwithstanding subdivision (d), or the contingency language  
10 of an act prohibiting the addition of a contingent voluntary  
11 contribution designation until another voluntary contribution  
12 designation is removed, the Franchise Tax Board may add one or  
13 more voluntary contribution designations if the board determines  
14 that space is available on the tax return to accommodate the  
15 additional voluntary contribution designation.

O