

AMENDED IN ASSEMBLY MARCH 18, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2430

Introduced by Assembly Member Beth Gaines

February 19, 2016

An act to ~~amend Section 17003~~ *add and repeal Article 7.5 (commencing with Section 18781) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, relating to taxation.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2430, as amended, Beth Gaines. ~~Personal income taxes.~~ *Voluntary contributions: Juvenile Diabetes Research Fund.*

Under existing law, taxpayers are allowed to contribute amounts in excess of their personal income tax liability for the support of various funds. Existing law also contains administrative provisions that are generally applicable to voluntary contributions.

This bill would allow a taxpayer to designate an amount in excess of personal income tax liability to be deposited to the Juvenile Diabetes Research Fund, which the bill would create. The bill would require moneys transferred to the Juvenile Diabetes Research Fund, upon appropriation by the Legislature, to be allocated to the Franchise Tax Board and the Controller, as provided, and to the Juvenile Diabetes Research Fund for the purpose of fighting type 1 diabetes, as provided.

~~The Personal Income Tax Law imposes taxes on income and provides a definition of 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 7.5 (commencing with Section 18781) 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 7.5. Juvenile Diabetes Research Fund

6

7

18781. (a) Any individual may designate on the tax return that
8 *a contribution in excess of the tax liability, if any, be made to the*
9 *Juvenile Diabetes Research Fund established by Section 18782 to*
10 *be used by the Juvenile Diabetes Research Fund.*

11

(b) The contribution shall be in full dollar amounts and may be
12 *made individually by each signatory on the joint return.*

13

(c) A designation under subdivision (a) shall be made for any
14 *taxable year on the initial return for that taxable year, and once*
15 *made shall be irrevocable. If payments and credits reported on*
16 *the return, together with any other credits associated with the*
17 *individual’s account, do not exceed the individual’s tax liability,*
18 *the return shall be treated as though no designation has been*
19 *made.*

20

(d) (1) The Franchise Tax Board shall revise the form of the
21 *return to include a space labeled “Juvenile Diabetes Research*
22 *Fund” to allow for the designation permitted under subdivision*
23 *(a). The form shall also include in the instructions information*
24 *that the contribution may be in the amount of one dollar (\$1) or*
25 *more and that the contribution shall be used to conduct the*
26 *activities of the Juvenile Diabetes Research Fund.*

27

(2) Notwithstanding any other law, a voluntary contribution
28 *designation for the Juvenile Diabetes Research Fund shall not be*
29 *added on the tax return until another voluntary contribution*
30 *designation is removed or space is available, whichever occurs*
31 *first.*

32

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

35

18782. There is hereby established in the State Treasury the
36 *Juvenile Diabetes Research Fund to receive contributions made*
37 *pursuant to Section 18781. The Franchise Tax Board shall notify*
38 *the Controller of both the amount of money paid by taxpayers in*

1 *excess of their tax liability and the amount of refund money that*
2 *taxpayers have designated pursuant to Section 18781 to be*
3 *transferred to the Juvenile Diabetes Research Fund. The Controller*
4 *shall transfer from the Personal Income Tax Fund to the Juvenile*
5 *Diabetes Research Fund an amount not in excess of the sum of the*
6 *amounts designated by individuals pursuant to Section 18781 for*
7 *payment into that fund.*

8 *18783. All moneys transferred to the Juvenile Diabetes*
9 *Research Fund pursuant to Section 18782, upon appropriation by*
10 *the Legislature, shall be allocated as follows:*

11 *(a) To the Franchise Tax Board and the Controller for*
12 *reimbursement of all costs incurred by the Franchise Tax Board*
13 *and the Controller in connection with their duties under this article.*

14 *(b) The balance for the purpose of fighting type 1 diabetes.*

15 *18784. (a) Except as otherwise provided in paragraph (2) of*
16 *subdivision (b), this article shall remain in effect only until January*
17 *1 of the fifth taxable year following the first appearance of the*
18 *Juvenile Diabetes Research Fund on the personal income tax*
19 *return, and is repealed as of December 1 of that year.*

20 *(b) (1) By September 1 of the second calendar year and each*
21 *subsequent calendar year that the Juvenile Diabetes Research*
22 *Fund appears on the tax return, the Franchise Tax Board shall do*
23 *both of the following:*

24 *(A) Determine the minimum contribution amount required to*
25 *be received during the next calendar year for the fund to appear*
26 *on the tax return for the taxable year that includes that next*
27 *calendar year.*

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

36 *(2) If the Franchise Tax Board determines that the amount of*
37 *the contributions estimated to be received during a calendar year*
38 *will not at least equal the minimum contribution amount for the*
39 *calendar year, this article shall be inoperative with respect to*

1 taxable years beginning on or after January 1 of that calendar
2 year and shall be repealed on December 1 of that year.

3 (3) For purposes of this section, the minimum contribution
4 amount for a calendar year means two hundred fifty thousand
5 dollars (\$250,000) for the second calendar year after the first
6 appearance of the Juvenile Diabetes Research Fund on the
7 personal income tax return or the minimum contribution amount
8 as adjusted pursuant to subdivision (c).

9 (c) For each calendar year, beginning with the third calendar
10 year after the first appearance of the Juvenile Diabetes Research
11 Fund on the personal income tax return, the Franchise Tax Board
12 shall 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 estimated contribution amount for the calendar
16 year shall be an amount equal to the product of the minimum
17 estimated contribution amount for the calendar year multiplied
18 by the inflation factor adjustment as specified in subparagraph
19 (A) of paragraph (2) of subdivision (h) of Section 17041, rounded
20 off to 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
24 before August 1 of the calendar year pursuant to paragraph (1)
25 of 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.

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

32 17003. “Franchise Tax Board” means the Franchise Tax Board
33 described in Part 10 (commencing with Section 15700) of Division
34 3 of Title 2 of the Government Code. “Board” means the State
35 Board of Equalization.