

AMENDED IN ASSEMBLY APRIL 26, 2016

AMENDED IN ASSEMBLY APRIL 13, 2016

AMENDED IN ASSEMBLY MARCH 15, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2497

Introduced by Assembly Member Wagner
(Principal author: ~~coauthors: Assembly Member Members Brown~~
***and Ridley-Thomas*)**
(Coauthors: Assembly Members Dahle, Gipson, and Hadley)

February 19, 2016

An act to amend Section 18729 of, and to add and repeal Article 3.6 (commencing with Section 18730) of Chapter 3 of Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2497, as amended, Wagner. Voluntary contributions: California Senior Legislature Fund: California Senior Citizen Advocacy Fund.

Under existing law, taxpayers are allowed to contribute amounts in excess of their personal income tax liability for the support of the California Senior Legislature Fund until the year in which the minimum contribution is not received, or January 1, 2019, whichever occurs first. Existing law also contains administrative provisions that are generally applicable to voluntary contributions.

This bill would repeal these provisions regarding contributions for the support of the California Senior Legislature Fund and would instead allow a taxpayer, for taxable years beginning on or after January 1, 2016, to designate an amount in excess of personal income tax liability to be deposited to the California Senior Citizen Advocacy Fund, which

the bill would create. This bill would require moneys transferred to the California Senior Citizen Advocacy Fund, upon appropriation by the Legislature, to be allocated to the Franchise Tax Board and the Controller, as provided, and to the California Senior Legislature for the purpose of funding the activities of the California Senior Legislature, as provided.

This bill would repeal these voluntary contribution provisions by a specified date or, if contributions made on returns would be less than a specified amount, by an earlier date as provided.

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. Section 18729 of the Revenue and Taxation Code
2 is amended to read:

3 18729. (a) This article shall remain in effect only for taxable
4 years beginning before January 1, 2016, and as of January 1, 2017,
5 is repealed.

6 (b) Notwithstanding the repeal of this article, any contribution
7 amounts designated pursuant to this article prior to its repeal shall
8 continue to be transferred and disbursed in accordance with this
9 article as in effect immediately prior to that repeal.

10 SEC. 2. Article 3.6 (commencing with Section 18730) is added
11 to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation
12 Code, to read:

13
14 Article 3.6. California Senior Citizen Advocacy Fund
15

16 18730. (a) For taxable years beginning on or after January 1,
17 2016, any individual may designate on the tax return that a
18 contribution in excess of the tax liability, if any, be made to the
19 California Senior Citizen Advocacy Fund established by Section
20 18731 to be used to conduct the sessions of the California Senior
21 Legislature and to support its ongoing activities on behalf of older
22 persons.

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

25 (c) A designation under subdivision (a) shall be made for any
26 taxable year on the original return for that taxable year, and once

1 made shall be irrevocable. If payments and credits reported on the
2 return, together with any other credits associated with the
3 individual's account, do not exceed the individual's tax liability,
4 the return shall be treated as though no designation has been made.

5 (d) The Franchise Tax Board shall revise the form of the return
6 to include a space labeled "California Senior Citizen Advocacy
7 Fund" to allow for the designation permitted under subdivision
8 (a). The form shall also include in the instructions information that
9 the contribution may be in the amount of one dollar (\$1) or more
10 and that the contribution shall be used to conduct the sessions of
11 the California Senior Legislature and to support its ongoing
12 activities on behalf of older persons.

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

16 18731. (a) There is hereby established in the State Treasury
17 the California Senior Citizen Advocacy Fund to receive
18 contributions made pursuant to Section 18730. The Franchise Tax
19 Board shall notify the Controller of both the amount of money
20 paid by taxpayers in excess of their tax liability and the amount
21 of refund money that taxpayers have designated pursuant to Section
22 18730 to be transferred to the California Senior Citizen Advocacy
23 Fund. The Controller shall transfer from the Personal Income Tax
24 Fund to the California Senior Citizen Advocacy Fund an amount
25 not in excess of the sum of the amounts designated by individuals
26 pursuant to Section 18730 for payment into that fund.

27 (b) The California Senior Citizen Advocacy Fund is the
28 successor fund of the California Senior Legislature Fund. All
29 assets, liabilities, revenues, and expenditures of the California
30 Senior Legislature Fund shall be transferred to, and become a part
31 of, the California Senior Citizen Advocacy Fund, as provided in
32 Section 16346 of the Government Code. Any references in state
33 law to the California Senior Legislature Fund shall be construed
34 to refer to the California Senior Citizen Advocacy Fund.

35 18732. (a) All moneys transferred to the California Senior
36 Citizen Advocacy Fund pursuant to Section 18731, upon
37 appropriation by the Legislature, shall be allocated as follows:

38 (1) To the ~~Franchise Tax Board~~ and the Controller *and the*
39 *Franchise Tax Board* for reimbursement of all costs incurred by

1 the ~~Franchise Tax Board and the~~ Controller *and the Franchise Tax*
2 *Board* in connection with their duties under this article.

3 (2) The balance to the California Senior Legislature, for its
4 ongoing activities on behalf of older persons.

5 (b) All moneys allocated pursuant to paragraph (2) of
6 subdivision (a) may be carried over from the year in which they
7 were received and encumbered in any following year.

8 (c) The funds allocated to the California Senior Legislature for
9 the purpose of funding the activities of the California Senior
10 Legislature shall be spent pursuant to the purview of the Joint
11 Rules Committee of the California Senior Legislature in a manner
12 consistent with the bylaws of the California Senior Legislature,
13 established through a majority vote of the California Senior
14 Legislature.

15 18733. (a) Except as otherwise provided in subdivision (b),
16 this article shall remain in effect only for taxable years beginning
17 before January 1, 2021, and as of December 1, 2021, is repealed.

18 (b) (1) By September 1, 2017, and by September 1 of each
19 subsequent calendar year that the California Senior Citizen
20 Advocacy Fund appears on the tax return, the Franchise Tax Board
21 shall do all of the following:

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

26 (B) Provide written notification to the California Senior
27 Legislature of the amount determined in subparagraph (A).

28 (C) 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 estimate
34 of the contributions that will be received by the end of that calendar
35 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 year
2 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 California Senior Citizen Advocacy Fund on
7 the 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 California Senior Citizen
11 Advocacy Fund on the personal income tax return, the Franchise
12 Tax Board shall adjust, on or before September 1 of that calendar
13 year, the minimum contribution amount specified in subdivision
14 (b) as 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 by
18 the 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.

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