
Introduced by Senator De León

February 23, 2015

An act to amend Sections 17053.86 and 23686 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 295, as introduced, De León. College Access Tax Credit Fund.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws, including, for taxable years beginning on or after January 1, 2014, and before January 1, 2017, a credit equal to a certain percentage of a contribution to the College Access Tax Credit Fund for specified education purposes, as provided.

This bill would extend the allowance of these credits to taxable years beginning before January 1, 2018.

This bill would take effect immediately as a tax levy.

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 17053.86 of the Revenue and Taxation
2 Code is amended to read:
3 17053.86. (a) (1) For *each taxable-years year* beginning on
4 or after January 1, 2014, and before January 1, ~~2017~~, 2018, there
5 shall be allowed as a credit against the "net tax," as defined in
6 Section 17039, an amount equal to the following:
7 (A) For each taxable year beginning on and after January 1,
8 2014, and before January 1, ~~2015~~, 2016, 60 percent of the amount

1 contributed by the taxpayer for the 2014 *or* 2015 taxable year to
2 the College Access Tax Credit Fund, as allocated and certified by
3 the California Educational Facilities Authority.

4 (B) For each taxable year beginning on and after January 1,
5 ~~2015~~, 2016, and before January 1, ~~2016~~, 2017, 55 percent of the
6 amount contributed by the taxpayer for the ~~2015~~ 2016 taxable year
7 to the College Access Tax Credit Fund, as allocated and certified
8 by the California Educational Facilities Authority.

9 (C) For each taxable year beginning on and after January 1,
10 ~~2016~~, 2017, and before January 1, ~~2017~~, 2018, 50 percent of the
11 amount contributed by the taxpayer for the ~~2016~~ 2017 taxable year
12 to the College Access Tax Credit Fund, as allocated and certified
13 by the California Educational Facilities Authority.

14 (2) Contributions shall be made only in cash.

15 (b) (1) The aggregate amount of credit that may be allocated
16 and certified pursuant to this section and Section 23686 shall be
17 an amount equal to the sum of all of the following:

18 (A) Five hundred million dollars (\$500,000,000) in credits for
19 the 2014 calendar year and each calendar year thereafter.

20 (B) The amount of previously unallocated and uncertified
21 credits.

22 (2) (A) For purposes of this section, the California Educational
23 Facilities Authority shall do all of the following:

24 (i) On or after January 1, 2014, and before January 1, ~~2017~~,
25 2018, allocate and certify tax credits to taxpayers under this section.

26 (ii) Establish a procedure for taxpayers to contribute to the
27 College Access Tax Credit Fund and to obtain from the California
28 Educational Facilities Authority a certification for the credit
29 allowed by this section. The procedure shall require the California
30 Educational Facilities Authority to certify the contribution amount
31 eligible for credit within 45 days following receipt of the
32 contribution.

33 (iii) Provide to the Franchise Tax Board a copy of each credit
34 certificate issued for the calendar year by March 1 of the calendar
35 year immediately following the year in which those certificates
36 are issued.

37 (B) (i) The California Educational Facilities Authority shall
38 adopt any regulations necessary to implement this paragraph.

39 (ii) Chapter 3.5 (commencing with Section 11340) of Part 1 of
40 Division 3 of Title 2 of the Government Code does not apply to

1 any regulation adopted by the California Educational Facilities
2 Authority pursuant to clause (i).

3 (c) (1) In the case where the credit allowed by this section
4 exceeds the “net tax,” the excess may be carried over to reduce
5 the “net tax” in the following year, and succeeding five years if
6 necessary, until the credit is exhausted.

7 (2) A deduction shall not be allowed under this part for amounts
8 taken into account under this section in calculating the credit
9 allowed by this section.

10 (d) (1) The College Access Tax Credit Fund is hereby created
11 as a special fund in the State Treasury. All revenue in this special
12 fund shall be allocated as follows:

13 (A) First to the General Fund in an amount equal to the
14 aggregate amount of certified credits allowed pursuant to this
15 section and Section 23686 for the taxable year. Funds allocated to
16 the General Fund shall be considered General Fund revenues for
17 purposes of Sections 8 and 8.5 of Article XVI of the California
18 Constitution.

19 (B) Second, upon appropriation, as follows:

20 (i) To the Franchise Tax Board, the California Educational
21 Facilities Authority, the Controller, and the Student Aid
22 Commission for reimbursement of all administrative costs incurred
23 by those agencies in connection with their duties under this section,
24 Section 23686, and Section 69432.7 of the Education Code.

25 (ii) To the Student Aid Commission for purposes of awarding
26 Cal Grants to students pursuant to Section 69431.7 of the Education
27 Code.

28 (2) The tax credit allowed by subdivision (a) of this section and
29 subdivision (a) of Section 23686 for donations to the College
30 Access Tax Credit Fund shall be known as the College Access
31 Tax Credit.

32 (e) This section shall remain in effect only until December 1,
33 ~~2017~~, 2018, and as of that date is repealed.

34 SEC. 2. Section 23686 of the Revenue and Taxation Code is
35 amended to read:

36 23686. (a) (1) For each taxable year beginning on or after
37 January 1, 2014, and before January 1, ~~2017~~, 2018, there shall be
38 allowed as a credit against the “tax,” as defined in Section 23036,
39 an amount equal to the following:

1 (A) For ~~taxable years~~ *each taxable year* beginning on and after
2 January 1, 2014, and before January 1, ~~2015, 2016~~, 60 percent of
3 the amount contributed by the taxpayer for the 2014 *or 2015*
4 taxable year to the College Access Tax Credit Fund, as allocated
5 and certified by the California Educational Facilities Authority.

6 (B) For ~~taxable years~~ *each taxable year* beginning on and after
7 January 1, ~~2015, 2016~~, and before January 1, ~~2016, 2017~~, 55
8 percent of the amount contributed by the taxpayer for the ~~2015~~
9 *2016* taxable year to the College Access Tax Credit Fund, as
10 allocated and certified by the California Educational Facilities
11 Authority.

12 (C) For ~~taxable years~~ *each taxable year* beginning on and after
13 January 1, ~~2016, 2017~~, and before January 1, ~~2017, 2018~~, 50 percent
14 of the amount contributed by the taxpayer for the ~~2016 2017~~
15 taxable year to the College Access Tax Credit Fund, as allocated
16 and certified by the California Educational Facilities Authority.

17 (2) Contributions shall be made only in cash.

18 (b) (1) The aggregate amount of credit that may be allocated
19 and certified pursuant to this section and Section 17053.86 shall
20 be an amount equal to the sum of all of the following:

21 (A) Five hundred million dollars (\$500,000,000) *in credits* for
22 the 2014 calendar year and each calendar year thereafter.

23 (B) The amount of previously unallocated and uncertified
24 credits.

25 (2) (A) For purposes of this section, the California Educational
26 Facilities Authority shall do all of the following:

27 (i) On or after January 1, 2014, and before January 1, ~~2017,~~
28 *2018*, allocate and certify tax credits to taxpayers under this section.

29 (ii) Establish a procedure for taxpayers to contribute to the
30 College Access Tax Credit Fund and to obtain from the California
31 Educational Facilities Authority a certification for the credit
32 allowed by this section. The procedure shall require the California
33 Educational Facilities Authority to certify the contribution amount
34 eligible for credit within 45 days following receipt of the
35 contribution.

36 (iii) Provide to the Franchise Tax Board a copy of each credit
37 certificate issued for the calendar year by March 1 of the calendar
38 year immediately following the year in which those certificates
39 are issued.

1 (B) (i) The California Educational Facilities Authority shall
2 adopt any regulations necessary to implement this paragraph.

3 (ii) Chapter 3.5 (commencing with Section 11340) of Part 1 of
4 Division 3 of Title 2 of the Government Code does not apply to
5 any regulation adopted by the California Educational Facilities
6 Authority pursuant to clause (i).

7 (c) (1) In the case where the credit allowed by this section
8 exceeds the “tax,” the excess may be carried over to reduce the
9 “tax” in the following year, and succeeding five years if necessary,
10 until the credit is exhausted.

11 (2) A deduction shall not be allowed under this part for amounts
12 taken into account under this section in calculating the credit
13 allowed by this section.

14 (d) This section shall remain in effect only until December 1,
15 ~~2017~~, ~~2018~~, and as of that date is repealed.

16 SEC. 3. This act provides for a tax levy within the meaning of
17 Article IV of the Constitution and shall go into immediate effect.

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