

ASSEMBLY BILL

No. 2603

Introduced by Assembly Member Strickland

February 25, 2000

An act to amend Section 17073 of, and to add and repeal Section 17205 of, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2603, as introduced, Strickland. Income taxes: deduction.

The Personal Income Tax Law allows various deductions in computing income that is subject to taxes, including a deduction, in modified conformity to federal income tax laws, for charitable contributions.

This bill would allow taxpayers who do not itemize their deductions a direct charitable deduction in an amount equal to 50% of the excess allowable under specified federal provisions over \$100, as provided. The deduction would be allowed in computing taxable income.

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 17073 of the Revenue and
- 2 Taxation Code is amended to read:

1 17073. (a) Section 63 of the Internal Revenue Code,
2 relating to taxable income defined, shall apply, except as
3 otherwise provided.

4 (b) For individuals who do not itemize deductions, the
5 standard deduction computed in accordance with
6 Section 17073.5 shall be allowed as a deduction in
7 computing taxable income.

8 (c) *The deduction allowed by Section 17205, relating*
9 *to direct charitable deductions, shall be allowed in*
10 *computing taxable income.*

11 SEC. 2. Section 17205 is added to the Revenue and
12 Taxation Code, to read:

13 17205. (a) For each taxable year beginning on or
14 after January 1, 2001, and before January 1, 2006, in the
15 case of an individual who does not itemize his or her
16 deductions for the taxable year, there shall be allowed a
17 direct charitable deduction in an amount equal to 50
18 percent of the excess of the amount allowable under
19 Section 170(a) of the Internal Revenue Code for the
20 taxable year over one hundred dollars (\$100).

21 (b) This section shall remain in effect only until
22 January 1, 2006, and as of that date is repealed.

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

