CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL No. 132

Introduced by Assembly Member Chavez

January 16, 2003

An act to amend Section 18724 of the Revenue and Taxation Code, relating to designated taxpayer contributions.

LEGISLATIVE COUNSEL'S DIGEST

AB 132, as introduced, Chavez. Income taxes: designated contributions: senior citizens.

Under the Personal Income Tax Law, taxpayers are allowed until January 1, 2005, to contribute amounts in excess of their tax liability for the support of the California Fund for Senior Citizens. Existing law provides for the repeal of the contribution provisions for these funds on either the January 1 following the calendar year that the Franchise Tax Board estimates the minimum contribution amount will be less than a prescribed amount, or on January 1, 2005, whichever occurs first.

This bill would, under this latter limit, extend the operation of those contribution provisions until January 1, 2010.

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

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

SECTION 1. Section 18724 of the Revenue and Taxation Code is amended to read:

18724. (a) This article shall remain in effect only until January 1, ~~2005,~~ *2010,* and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, ~~2005,~~ *2010*, deletes that date.

(b) If the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars ($250,000) for taxable years beginning in 2001, or the adjusted amount specified in subdivision (c) for any subsequent taxable year, as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 2002, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

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

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