

**ASSEMBLY BILL**

**No. 1799**

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**Introduced by Assembly Members Mullin and Bates**

January 8, 2004

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An act to amend Sections 18761 and 18766 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1799, as introduced, Mullin. Personal income taxes: contributions: Alzheimer's disease.

The Personal Income Tax Law allows taxpayers, until January 1, 2005, to contribute amounts in excess of their tax liability for the support of the California Alzheimer's Disease and Related Disorders Research Fund. Existing law also provides that these contribution provisions are repealed if in any calendar year, beginning in 2000, the Franchise Tax Board estimates that the total amount so contributed will be less than the prescribed amount, as may be annually adjusted.

This bill would extend the operation of those contribution provisions to 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:*

- 1 SECTION 1. Section 18761 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 18761. The Legislature finds and declares all of the
- 4 following:

1 (a) Alzheimer's disease and related *dementia* disorders are  
2 devastating health conditions ~~which affect a significant number of~~  
3 ~~Californians and can~~ *that cause a loss of intellectual functioning*  
4 *so severe that they interfere with an individual's daily functioning*  
5 *and eventually result in death. These conditions affect 10 percent*  
6 *of Californians over the age of 65 years and 50 percent of*  
7 *Californians who are 85 years of age or older. They cause serious*  
8 *financial, social, and emotional hardships on the victims—those*  
9 *affected and on their family caregivers. Approximately 50 percent*  
10 *of all nursing home admissions in the state may be attributable to*  
11 *Alzheimer's disease and related disorders.*

12 (b) ~~There is no known cause or cure for Alzheimer's disease at~~  
13 ~~this time. It is also acknowledged that its continued progression~~  
14 ~~over time can lead to other medical disorders that generally prove~~  
15 ~~fatal.—~~ *The total annual cost of caring for individuals with*  
16 *Alzheimer's and other dementia disorders in California is over \$10*  
17 *billion. These conditions cost California businesses \$3.3 billion*  
18 *annually, most of which is due to the lost productivity of family*  
19 *caregivers. Approximately 50 percent of all nursing home*  
20 *admissions in California are attributable to Alzheimer's disease*  
21 *and related dementia disorders.*

22 (c) *While scientists have made great strides in understanding*  
23 *Alzheimer's and other causes of dementia, there is no known*  
24 *prevention or cure at this time.*

25 (d) It is the intent of the Legislature, in enacting this article, to  
26 establish a systematic program for the conduct of research  
27 regarding the cause, *prevention, diagnosis, cure, and treatment of*  
28 Alzheimer's disease and related disorders. The outcome of this  
29 research may have direct effects and consequences on the  
30 development of a comprehensive system which will provide  
31 diagnoses and treatment to victims of those health problems. This  
32 program shall award grants to eligible physicians, hospitals,  
33 laboratories, educational institutions, and other organizations and  
34 persons for the purpose of enabling those organizations and  
35 persons to conduct research.

36 SEC. 2. Section 18766 of the Revenue and Taxation Code is  
37 amended to read:

38 18766. (a) This article shall remain in effect only until  
39 January 1, ~~2005~~ 2010, and as of that date is repealed, unless a later



1 enacted statute, which is enacted before January 1, ~~2005~~ 2010,  
2 deletes that date.

3 (b) If, in any calendar year, the Franchise Tax Board estimates  
4 by September 1 that contributions described in this article made on  
5 returns filed in that calendar year will be less than two hundred  
6 fifty thousand dollars (\$250,000) for taxable years beginning in  
7 2000, or the adjusted amount specified in subdivision (c) for  
8 subsequent taxable years, as may be applicable, then this article is  
9 repealed with respect to taxable years beginning on and after  
10 January 1 of that calendar year. The Franchise Tax Board shall  
11 estimate the annual contribution amount by September 1 of each  
12 year using the actual amounts known to be contributed and an  
13 estimate of the remaining year's contributions.

14 (c) For each calendar year, beginning with calendar year 1992,  
15 the Franchise Tax Board shall adjust, on or before September 1 of  
16 that calendar year, the minimum estimated contribution amount  
17 specified in subdivision (b) as follows:

18 (1) The minimum estimated contribution amount for the  
19 calendar year shall be an amount equal to the product of the  
20 minimum estimated contribution amount for the prior September  
21 1 multiplied by the inflation factor adjustment as specified in  
22 paragraph (2) of subdivision (h) of Section 17041, rounded off to  
23 the nearest dollar.

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

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

