

AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1799

Introduced by Assembly Members Mullin and Bates
(Coauthors: Assembly Members Bermudez, Daucher, Frommer, Hancock, Koretz, Laird, La Malfa, Lieber, Liu, Maze, Nakanishi, Pavley, Runner, Salinas, Strickland, and Vargas)

January 8, 2004

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1799, as amended, 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 Existing law also provides that these contribution provisions are repealed if in any calendar year, beginning in 2000, the Franchise Tax Board estimates that the total amount so contributed will be less than the prescribed amount, as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:

5 (a) Alzheimer's disease and related dementia disorders are
6 devastating health conditions that cause a loss of intellectual
7 functioning so severe that they interfere with an individual's daily
8 functioning and eventually result in death. These conditions affect
9 10 percent of Californians over the age of 65 years and 50 percent
10 of Californians who are 85 years of age or older. They cause
11 serious financial, social, and emotional hardships on those affected
12 and on their family caregivers.

13 (b) The total annual cost of caring for individuals with
14 Alzheimer's and other dementia disorders in California is over \$10
15 billion. These conditions cost California businesses \$3.3 billion
16 annually, most of which is due to the lost productivity of family
17 caregivers. Approximately 50 percent of all nursing home
18 admissions in California are attributable to Alzheimer's disease
19 and related dementia disorders.

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

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

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

36 18766. (a) This article shall remain in effect only until
37 January 1, 2010, and as of that date is repealed, unless a later



1 enacted statute, which is enacted before January 1, 2010, deletes
2 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.

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