

AMENDED IN ASSEMBLY APRIL 27, 2010

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2017

Introduced by Assembly Member Hall
(Coauthors: Assembly Members Gilmore and Jeffries)

February 17, 2010

An act to add and repeal Article 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, and to add Chapter 4 (commencing with Section 2200) to Division 2.5 of the Welfare and Institutions Code, relating to youth.

LEGISLATIVE COUNSEL'S DIGEST

AB 2017, as amended, Hall. California YMCA Youth and Government Program: *personal income taxes: voluntary contribution*.

Existing law provides various services for youth in the state.

This bill would establish a California YMCA Youth and Government Program, to train high school students about the legislative process, and would authorize each member of the Senate and each member of the Assembly to appoint one youth member from each member's district to participate in the program.

The Personal Income Tax Law authorizes taxpayers to contribute amounts in excess of their tax liability for the support of specified funds.

This bill would additionally allow ~~taxpayers~~ *individuals* to designate on their tax returns that a specified amount in excess of their tax liability be transferred to the California YMCA Youth and Government Fund, which would be created by this bill. The bill would require money in that fund, upon appropriation by the Legislature, to be allocated to the California YMCA Youth and Government program, as prescribed, for

the purpose of funding the activities of the California YMCA Youth and Government Model Legislature and Court Program.

The bill would require the Franchise Tax Board, when another voluntary contribution designation is removed, to revise the form of tax returns to provide for the designation created by this bill, and would allow, upon appropriation by the Legislature, the Franchise Tax Board, and the Controller to receive a portion of the funds designated to cover costs incurred in collecting and administering the funds.

The bill would provide that these provisions ~~shall~~ *would* remain in effect only until January 1 of the 5th taxable year following the first appearance of the California YMCA Youth and Government Fund on the tax return, ~~unless a later enacted statute deletes or extends that date.~~ *If but would further provide that if* the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not equal or exceed the minimum contribution amount, as defined, for the calendar year, these provisions would be repealed with respect to taxable years beginning on or after January 1 of that calendar year.

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. Article 4.5 (commencing with Section 18736) is
2 added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and
3 Taxation Code, to read:

4
5 Article 4.5. California YMCA Youth and Government Fund
6

7 18736. (a) An individual may designate on the tax return that
8 a contribution in excess of the tax liability, if any, be made to the
9 California YMCA Youth and Government Fund, established by
10 Section 18737.

11 (b) The contributions shall be in full dollar amounts and may
12 be made individually by each signatory on a joint return.

13 (c) A designation under subdivision (a) shall be made for any
14 taxable year on the original return for that taxable year, and once
15 made is irrevocable. If payments and credits reported on the return,
16 together with any other credits associated with the individual's

1 account, do not exceed the individual's tax liability, the return
2 shall be treated as though no designation has been made.

3 (d) If an individual designates a contribution to more than one
4 account or fund listed on the tax return, and the amount available
5 for designation is insufficient to satisfy the total amount designated,
6 the contribution shall be allocated among the designees on a pro
7 rata basis.

8 (e) The Franchise Tax Board shall revise the form of the return
9 to include a space labeled "California YMCA Youth and
10 Government Fund" to allow for the designation permitted under
11 subdivision (a). The form shall also include in the instructions
12 information that the contribution may be in the amount of one
13 dollar (\$1) or more and that the contribution shall be used to
14 conduct the sessions of the California Youth and Government
15 Model Legislature and Court Program operated by the YMCA,
16 and to support its ongoing activities on behalf of youth.

17 (f) Notwithstanding any other provision, a voluntary contribution
18 designation for the California YMCA Youth and Government
19 Fund shall not be added on the tax return until another voluntary
20 contribution designation is removed.

21 (g) A deduction shall be allowed under Article 6 (commencing
22 with Section 17201) of Chapter 3 of Part 10 for any contribution
23 made pursuant to subdivision (a).

24 18737. There is hereby established in the State Treasury the
25 California YMCA Youth and Government Fund to receive
26 contributions made pursuant to Section 18736. The Franchise Tax
27 Board shall notify the Controller of both the amount of money
28 paid by taxpayers in excess of their tax liability and the amount
29 of refund money that taxpayers have designated pursuant to Section
30 18736 to be transferred to the California YMCA Youth and
31 Government Fund. The Controller shall transfer from the Personal
32 Income Tax Fund to the California YMCA Youth and Government
33 Fund an amount not in excess of the sum of the amounts designated
34 by individuals pursuant to Section 18736 for payment into that
35 fund.

36 18738. All moneys transferred to the California YMCA Youth
37 and Government Fund pursuant to Section 18736, upon
38 appropriation by the Legislature, shall be allocated as follows:

1 (a) To the Franchise Tax Board and the Controller for
2 reimbursement of all costs incurred by the Franchise Tax Board
3 and the Controller in connection with their duties under this article.

4 (b) The balance to the California YMCA Youth and Government
5 Program, for its ongoing activities on behalf of youth.

6 (c) All moneys allocated pursuant to subdivision (b) of this
7 section may be carried over from the year in which they were
8 received.

9 (d) The funds allocated to the California YMCA Youth and
10 Government Program shall be used for the purpose of funding the
11 activities of the California Youth and Government Model
12 Legislature and Court Program and shall be spent pursuant to the
13 purview of the YMCA Youth and Government board members in
14 a manner consistent with the bylaws of the organization.

15 18739. (a) ~~This~~ *Except as otherwise provided in subdivision*
16 *(b), this article shall remain in effect operative only until January*
17 *1 of the fifth taxable year following the first appearance of the*
18 *California YMCA Youth and Government Program Fund on the*
19 *tax return, and as of that date is repealed, unless a later enacted*
20 *statute, that is enacted before the applicable date, deletes or extends*
21 *that date. return.*

22 (b) (1) By September 1 of the second calendar year, and by
23 September 1 of each subsequent calendar year that the California
24 YMCA Youth and Government Fund appears on a tax return, the
25 Franchise Tax Board shall do all of the following:

26 (A) Determine the minimum contribution amount required to
27 be received during the next calendar year for the fund to appear
28 on the tax return for the taxable year that includes that next calendar
29 year.

30 (B) Provide written notification to the California YMCA Youth
31 and Government Program of the amount determined in
32 subparagraph (A).

33 (C) Determine whether the amount of contributions estimated
34 to be received during the calendar year will equal or exceed the
35 minimum contribution amount determined by the Franchise Tax
36 Board for the calendar year pursuant to subparagraph (A). The
37 Franchise Tax Board shall estimate the amount of contributions
38 to be received by using the actual amounts received and an estimate
39 of the contributions that will be received by the end of that calendar
40 year.

1 (2) If the Franchise Tax Board determines that the amount of
2 contributions estimated to be received during a calendar year will
3 not equal or exceed the minimum contribution amount for the
4 calendar year, this article is repealed with respect to taxable years
5 beginning on or after January 1 of that calendar year.

6 (3) For purposes of this section, the “minimum contribution
7 amount” for a calendar year means two hundred fifty thousand
8 dollars (\$250,000) for the second calendar year after the first
9 taxable year for which the California YMCA Youth and
10 Government Fund appears on the tax return, or the minimum
11 contribution amount adjusted pursuant to subdivision (c).

12 (c) For each calendar year, beginning with the third calendar
13 year that the California YMCA Youth and Government Fund
14 appears on the tax return, the Franchise Tax Board shall adjust,
15 on or before September 1 of that calendar year, the minimum
16 estimated contribution amount specified in subdivision (b) as
17 follows:

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

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

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

32 SEC. 2. Chapter 4 (commencing with Section 2200) is added
33 to Division 2.5 of the Welfare and Institutions Code, to read:

34
35 CHAPTER 4. CALIFORNIA YMCA YOUTH AND GOVERNMENT
36 PROGRAM
37

38 2200. (a) The Legislature finds and declares that California’s
39 youth would greatly benefit by learning how the California
40 legislative and judicial processes work.

1 (b) The Legislature recognizes that all young people need five
2 key developmental resources in order to become productive
3 citizens: caring adults, safe places, a healthy start, an effective
4 education, and opportunities to help others. The Legislature further
5 recognizes that young people who receive more of these
6 developmental resources fare better than young people who receive
7 fewer, and that those young people are more likely to avoid
8 violence, contribute to their communities, and achieve high grades
9 in school.

10 (c) The Legislature is alarmed that hundreds of thousands of
11 California youth are among the two-thirds of America's children
12 and youth recently identified by the America's Promise Alliance
13 as not receiving sufficient developmental resources to safely put
14 them on the path to adulthood. The Legislature also is concerned
15 that the high school completion rate is less than 60 percent for
16 low-income students and students of color in California, that gang
17 and youth violence continue to be a concern and that after years
18 of declining numbers, teen pregnancy rates are also on the rise.
19 The Legislature is encouraged, however, by research indicating
20 that providing more of the five developmental resources for more
21 young people can help prevent many of these problems, and that
22 millions of dollars in later prison, health, and welfare costs can be
23 avoided by providing more developmental resources for more
24 young people now.

25 (d) The Legislature also agrees with the America's Promise
26 Alliance's call for greater collaboration and integration in working
27 to turn failure into action and improve the lives of young people
28 at risk and with the actions of the more than 20 states that have
29 committed their state resources for the creation of statewide entities
30 charged with improving the developmental well-being of their
31 children and youth.

32 (e) The California YMCA Youth and Government Program
33 operated by the YMCA has been successfully providing training
34 and education on the legislative and judicial process for over 60
35 years.

36 (f) The California YMCA Youth and Government Program
37 annually trains over 2,000 high school students in their model
38 legislature, which is composed of two houses, the youth senate,
39 and the youth assembly, as well as youth constitutional officers,
40 a press corps, lobbyists, and court representatives.

1 2201. To be eligible to participate in the California YMCA
2 Youth and Government Program, youths shall be 14 to 18 years
3 of age, inclusive, and currently enrolled in a California high school
4 or participating in a nonpublic, home-based educational program
5 or a general equivalency degree program.

6 2202. (a) Each Member of the Senate and each Member of
7 the Assembly may appoint one youth member from his or her
8 district to participate in the California YMCA Youth and
9 Government Model Legislature and Court Program.

10 (b) Members of the Senate and Members of the Assembly, in
11 making their appointments, shall take into consideration that the
12 members of the California YMCA Youth and Government Program
13 represent the racial, ethnic, socioeconomic, cultural, physical, and
14 educational diversity of California. Particular emphasis should be
15 placed on reaching out to at-risk or disadvantaged youth to serve
16 as members of the California YMCA Youth and Government
17 Program, as their participation will provide keen insight ~~to~~ into
18 many of the issues that youth face in their day-to-day lives.

19 (c) State funds shall not be used to support the California YMCA
20 Youth and Government Program, except as provided in Article
21 4.5 (commencing with Section 18736) of Chapter 3 of Part 10.2
22 of Division 2 *of the Revenue and Taxation Code*.

23 (d) This section does not preclude the California YMCA Youth
24 and Government Program from entering into mutually agreed-upon
25 interagency agreements for any subsequent fiscal year.

26 2203. (a) The funds for the California YMCA Youth and
27 Government Program shall be allocated from the California YMCA
28 Youth and Government Fund or private funds directed to the
29 Legislature for the purpose of funding activities of the California
30 YMCA Youth and Government Program.

31 (b) The California YMCA Youth and Government Program
32 may accept gifts and grants from any source, public or private, to
33 help perform its functions.