AMENDED IN SENATE JUNE 16, 2010

AMENDED IN ASSEMBLY MAY 28, 2010

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, with respect to the California YMCA Youth and Government Program which trains high school students about the legislative process, 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 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 specified nonprofit civic youth organizations as annual grants to operate civic education and mock legislative programs, as prescribed, and* 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 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, 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:

SECTION 1. Article 4.5 (commencing with Section 18736) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 4.5. California YMCA Youth and Government Fund

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

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

(c) A designation under subdivision (a) shall be made for any taxable year on the original return for that taxable year, and once made is irrevocable. If payments and credits reported on the return, together with any other credits associated with the individual's account, do not exceed the individual's tax liability, the return shall be treated as though no designation has been made.

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

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

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

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

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

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

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

(b) (1) To provide an annual grant of twenty thousand dollars ($20,000) to each of the following nonprofit civic youth organizations in order to operate civic education and mock legislative programs:

(A) African American Youth Leadership Program.

(B) Asian Pacific Youth Leadership Project.

(C) Chicano Latino Youth Leadership Project.

(2) Additional non-profit civic youth organizations may apply for a grant of up to ten thousand dollars ($10,000) each in order to operate civic education and mock legislative programs.

(A) Grants shall be administered by the California YMCA Youth and Government Board of Directors, who shall be responsible for developing criteria, evaluating applications and awarding grants on an annual basis.

(B) Total annual grants awarded under this paragraph shall not exceed forty thousand dollars ($40,000) per year.

~~(b)~~

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

~~(c)~~

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

~~(d)~~

(e) The funds allocated to the California YMCA Youth and Government Program shall be used for the purpose of funding the activities of the California Youth and Government Model Legislature and Court Program and shall be spent pursuant to the purview of the YMCA Youth and Government ~~board members~~ *Board of Directors* in a manner consistent with the bylaws of the organization*, except as provided in subdivision (b)*.

18739. (a) Except as otherwise provided in subdivision (b), this article shall remain operative only until January 1 of the fifth taxable year following the first appearance of the California YMCA Youth and Government Fund on the tax return.

(b) (1) By September 1 of the second calendar year, and by September 1 of each subsequent calendar year that the California

YMCA Youth and Government Fund appears on a tax return, the Franchise Tax Board shall do all of the following:

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

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

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

(2) 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 for the calendar year, this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year.

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

(c) For each calendar year, beginning with the third calendar year that the California YMCA Youth and Government Fund appears on the tax return, 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 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.

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

Chapter 4. California YMCA Youth and Government Program

2200. To be eligible to participate in the California YMCA Youth and Government Program, youths shall be 14 to 18 years of age, inclusive, and currently enrolled in a California high school or participating in a nonpublic, home-based educational program or a general equivalency degree program.

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

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

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

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

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

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

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