



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

AB-490 Taxation: credits: College Access Tax Credit. (2017-2018)

SHARE THIS:  

Date Published: 10/06/2017 09:00 PM

Assembly Bill No. 490

CHAPTER 527

An act to amend Sections 12207, 17053.87, and 23687 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

[Approved by Governor October 06, 2017. Filed with Secretary of State October 06, 2017.]

LEGISLATIVE COUNSEL'S DIGEST

AB 490, Quirk-Silva. Taxation: credits: College Access Tax Credit.

The law governing the taxation of insurers, the Personal Income Tax Law, and the Corporation Tax Law allow various credits against the taxes imposed by those laws, including a credit, for taxable years beginning on or after January 1, 2017, and before January 1, 2018, equal to 50% of a contribution to the College Access Tax Credit Fund, as provided. Those laws specify that the moneys in the College Access Tax Credit Fund shall be allocated first to the General Fund, then, upon appropriation, to specified agencies for administrative costs related to this credit, and lastly continuously appropriated to the Student Aid Commission for awarding Cal Grants, as provided.

This bill would extend the operation of the credit to taxable years beginning before January 1, 2023. By extending the operation of the credit and thus the appropriation in those provisions, the bill would make an appropriation.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 12207 of the Revenue and Taxation Code is amended to read:

12207. (a) For the taxable years beginning on or after January 1, 2017, and before January 1, 2023, there shall be allowed as a credit against the "tax," as described in Section 12202 or 12231, an amount equal to 50 percent of the amount contributed by the taxpayer for the taxable year to the College Access Tax Credit Fund, as allocated and certified by the California Educational Facilities Authority.

(b) (1) The aggregate amount of credit that may be allocated and certified pursuant to this section, Section 17053.87, and Section 23687 shall be an amount equal to five hundred million dollars (\$500,000,000).

(2) (A) For the purposes of this section, the California Educational Facilities Authority shall do all of the following:

(i) On a first-come-first-served basis, allocate and certify tax credits to taxpayers under this section.

(ii) Establish a procedure for taxpayers to contribute to the College Access Tax Credit Fund and to obtain from the California Educational Facilities Authority a certification for the credit allowed by this section. The procedure shall require the California Educational Facilities Authority to certify the contribution amount eligible for credit within 45 days following receipt of the contribution.

(iii) Provide to the Department of Insurance a copy of each credit certificate issued for the calendar year by March 1 of the calendar year immediately following the year in which those certificates are issued.

(B) (i) The California Educational Facilities Authority shall adopt any regulations necessary or appropriate to implement this paragraph.

(ii) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to any regulation adopted by the California Educational Facilities Authority pursuant to clause (i).

(c) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding five years if necessary, until the credit is exhausted.

(d) The tax credit allowed by subdivision (a), subdivision (a) of Section 17053.87, and subdivision (a) of Section 23687 for donations to the College Access Tax Credit Fund shall be known as the College Access Tax Credit.

(e) This section shall remain in effect only until December 1, 2023, and as of that date is repealed.

SEC. 2. Section 17053.87 of the Revenue and Taxation Code is amended to read:

17053.87. (a) For the taxable years beginning on or after January 1, 2017, and before January 1, 2023, there shall be allowed as a credit against the "net tax," as defined in Section 17039, an amount equal to 50 percent of the amount contributed by the taxpayer for the taxable year to the College Access Tax Credit Fund, as allocated and certified by the California Educational Facilities Authority.

(b) (1) The aggregate amount of credit that may be allocated and certified pursuant to this section, Section 12207, and Section 23687 shall be an amount equal to five hundred million dollars (\$500,000,000).

(2) (A) For the purposes of this section, the California Educational Facilities Authority shall do all of the following:

(i) On a first-come-first-served basis, allocate and certify tax credits to taxpayers under this section.

(ii) Establish a procedure for taxpayers to contribute to the College Access Tax Credit Fund and to obtain from the California Educational Facilities Authority a certification for the credit allowed by this section. The procedure shall require the California Educational Facilities Authority to certify the contribution amount eligible for credit within 45 days following receipt of the contribution.

(iii) Provide to the Franchise Tax Board a copy of each credit certificate issued for the calendar year by March 1 of the calendar year immediately following the year in which those certificates are issued.

(B) (i) The California Educational Facilities Authority shall adopt any regulations necessary or appropriate to implement this paragraph.

(ii) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to any regulation adopted by the California Educational Facilities Authority pursuant to clause (i).

(c) (1) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding five years if necessary, until the credit is exhausted.

(2) A deduction shall not be allowed under this part for amounts taken into account under this section in calculating the credit allowed by this section.

(d) (1) The College Access Tax Credit Fund is hereby created as a special fund in the State Treasury. All revenue in this special fund shall be allocated as follows:

(A) First to the General Fund in an amount equal to the aggregate amount of certified credits allowed pursuant to this section and Section 23687 for the taxable year. Funds allocated to the General Fund shall be considered General Fund revenues for purposes of Sections 8 and 8.5 of Article XVI of the California Constitution.

(B) Second, upon appropriation, to the Department of Insurance, the Franchise Tax Board, the California Educational Facilities Authority, the Controller, and the Student Aid Commission for reimbursement of all administrative costs incurred by those agencies in connection with their duties under this section, Section 12207, Section 23687, and Section 69431.7 of the Education Code.

(C) Third, notwithstanding Section 13340 of the Government Code, the remaining revenue shall be continuously appropriated to the Student Aid Commission for purposes of awarding Cal Grants to students subject to Section 69431.7 of the Education Code.

(2) The tax credit allowed by subdivision (a), subdivision (a) of Section 12207, and subdivision (a) of Section 23687 for donations to the College Access Tax Credit Fund shall be known as the College Access Tax Credit.

(e) This section shall remain in effect only until December 1, 2023, and as of that date is repealed.

SEC. 3. Section 23687 of the Revenue and Taxation Code is amended to read:

23687. (a) For taxable years beginning on or after January 1, 2017, and before January 1, 2023, there shall be allowed as a credit against the "tax," as defined in Section 23036, an amount equal to 50 percent of the amount contributed by the taxpayer for the taxable year to the College Access Tax Credit Fund, as allocated and certified by the California Educational Facilities Authority.

(b) (1) The aggregate amount of credit that may be allocated and certified pursuant to this section, Section 12207, and Section 17053.87 shall be an amount equal to five hundred million dollars (\$500,000,000).

(2) (A) For the purposes of this section, the California Educational Facilities Authority shall do all of the following:

(i) On a first-come-first-served basis, allocate and certify tax credits to taxpayers under this section.

(ii) Establish a procedure for taxpayers to contribute to the College Access Tax Credit Fund and to obtain from the California Educational Facilities Authority a certification for the credit allowed by this section. The procedure shall require the California Educational Facilities Authority to certify the contribution amount eligible for credit within 45 days following receipt of the contribution.

(iii) Provide to the Franchise Tax Board a copy of each credit certificate issued for the calendar year by March 1 of the calendar year immediately following the year in which those certificates are issued.

(B) (i) The California Educational Facilities Authority shall adopt any regulations necessary or appropriate to implement this paragraph.

(ii) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) shall not apply to any regulation adopted by the California Educational Facilities Authority pursuant to clause (i).

(c) (1) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "tax" in the following year, and succeeding five years if necessary, until the credit is exhausted.

(2) A deduction shall not be allowed under this part for amounts taken into account under this section in calculating the credit allowed by this section.

(d) The tax credit allowed by subdivision (a), subdivision (a) of Section 12207, and subdivision (a) of Section 17053.87 for donations to the College Access Tax Credit Fund shall be known as the College Access Tax Credit.

(e) This section shall remain in effect only until December 1, 2023, and as of that date is repealed.