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AB-2400 Personal income taxes: voluntary contribution fund: Alzheimer's disease research. (2017-2018)

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Assembly Bill No. 2400

CHAPTER 299

An act to amend Sections 18763, 18764, 18765, and 18766 of, and to amend the heading of Article 6 (commencing with Section 18761) of Chapter 3 of Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

[Approved by Governor September 07, 2018. Filed with Secretary of State September 07, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2400, Kalra. Personal income taxes: voluntary contribution fund: Alzheimer's disease research.

Existing law allows taxpayers, until January 1, 2020, to designate on his or her personal income tax return that a specified amount in excess of his or her personal income tax liability be contributed to the California Alzheimer's Disease and Related Disorders Research Fund, which is subject to appropriation by the Legislature, to be allocated to the Franchise Tax Board, the Controller, and the appropriate state department as established by the Secretary of California Health and Human Services in consultation with the California Department of Aging, and any others that the secretary deems appropriate to be expended for Alzheimer's disease research.

Existing law requires that when establishing or extending the operation of these voluntary tax contribution funds the words "voluntary tax contribution" be included in the name of the fund, that the administering agency comply with specified Internet Web site reporting requirements, that the fund provisions remain in effect only until January 1 of the 7th calendar year following the first appearance of the voluntary tax contribution on the personal income tax return, that the required calendar year minimum contribution amount for the fund to continue appearing on the return is \$250,000, and that the contributions be continuously appropriated from the fund to the administering entity.

This bill would rename the fund as the California Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund and would instead require the funds to be allocated to the State Department of Public Health to support eligible programs awarded grants under selection criteria established by the State Department of Public Health Alzheimer's Disease Program.

The bill would also conform with the above-mentioned requirements by extending the operation of the provisions of the California Alzheimer's Disease and Related Disorders Research Fund to January 1, 2025, renaming the fund, continuously appropriating the fund to the Franchise Tax Board, the Controller, and the State Department of Public Health for purposes of carrying out these provisions, and requiring the State Department of Public Health to comply with those Internet Web site reporting requirements. By continuously appropriating the funds described above, 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. The heading of Article 6 (commencing with Section 18761) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code is amended to read:

Article 6. California Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund

SEC. 2. Section 18763 of the Revenue and Taxation Code is amended to read:

18763. (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 Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund, that is established by Section 18764.

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

(c) A designation under subdivision (a) shall be made for any taxable year on the individual return for that taxable year, and once made shall be irrevocable. In the event that 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) The Franchise Tax Board shall revise the forms of the return to include a space labeled the "Alzheimer's Disease and Related Dementia Voluntary Tax Contribution Fund" to allow for the designation permitted under subdivision (a). The forms 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 research relating to the cure and treatment of Alzheimer's disease.

(e) 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).

SEC. 3. Section 18764 of the Revenue and Taxation Code is amended to read:

18764. There is in the State Treasury the California Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund to receive contributions made pursuant to Section 18763. The Franchise Tax Board shall notify the Controller of both the amount of money paid by individuals in excess of their tax liability and the amount of refund money that individuals have designated pursuant to Section 18763 to be transferred to the California Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18763 for payment into that fund.

SEC. 4. Section 18765 of the Revenue and Taxation Code is amended to read:

18765. (a) (1) Notwithstanding Section 13340 of the Government Code, all money transferred to the California Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund shall be continuously appropriated and allocated as follows:

(A) To the Franchise Tax Board, the Controller, and the State Department of Public Health for reimbursement of all administrative costs incurred by the Franchise Tax Board, the Controller, and the State Department of Public Health in connection with their duties under this article.

(B) To the State Department of Public Health to support eligible programs awarded grants under the selection criteria established by the State Department of Public Health's Alzheimer's Disease Program (Article 4 (commencing with Section 125275) of Chapter 2 of Part 5 of Division 106 of the Health and Safety Code) and for direct program-related expenses.

(2) All moneys allocated pursuant to paragraph (1) may be carried over from the year in which they were received.

(3) Grant moneys shall not be used for any purpose outside this state.

(b) The State Department of Public Health shall comply with the Internet Web site reporting requirements described in Section 18873.

SEC. 5. Section 18766 of the Revenue and Taxation Code is amended to read:

18766. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only for taxable years beginning before January 1, 2025, and as of December 1 of that year is repealed.

(b) (1) By September 1, 2019, and by September 1 of each subsequent calendar year that the California Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund appears on a tax return, the Franchise Tax Board shall determine whether the amount of contributions estimated to be received during the calendar year will equal or exceed the minimum contributions amount for the calendar year pursuant to paragraph (3). 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. If the Franchise Tax Board determines that the fund is projected to fall below the minimum contribution amount, the Franchise Tax Board shall provide written notification to the State Department of Public Health.

(2) If the Franchise Tax Board determines that the amount of contributions estimated to be received during a calendar year will not at least equal the minimum contribution amount for the calendar year, this article shall be inoperative with respect to taxable years beginning on or after January 1 of that calendar year and shall be repealed on December 1 of that year.

(3) For purposes of this section, the minimum contribution amount for a calendar year means two hundred fifty thousand dollars (\$250,000).