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**AB-2068 Voluntary tax contributions: California Firefighters' Memorial Voluntary Tax Contribution Fund: California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund. (2019-2020)**

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**Assembly Bill No. 2068**

**CHAPTER 173**

An act to amend Sections 18801, 18802, 18803, 18804, 18805, 18806, 18807, and 18808 of, and to amend the headings of Article 9 (commencing with Section 18801) and Article 9.5 (commencing with Section 18805) of Chapter 3 of Part 10.2 of Division 2 of, the Revenue and Taxation Code, relating to taxation.

[ Approved by Governor September 25, 2020. Filed with Secretary of State September 25, 2020. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2068, Petrie-Norris. Voluntary tax contributions: California Firefighters' Memorial Voluntary Tax Contribution Fund: California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund.

Existing law allows taxpayers to designate amounts in excess of their personal income tax liability for the support of specified voluntary contribution funds on the personal income tax return, including, until January 1, 2021, the California Firefighters' Memorial Fund and the California Peace Officer Memorial Foundation Fund, except as otherwise provided.

This bill would rename the above-described funds as the California Firefighters' Memorial Voluntary Tax Contribution Fund and the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund, respectively, and would allow taxpayers to designate voluntary contributions for those funds on the personal income tax return until January 1, 2028, except as otherwise provided. The bill would require the California Fire Foundation and the California Peace Officers Memorial Foundation, Inc. to annually post information on the distribution of the funds, as specified, on their internet websites.

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

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

**SECTION 1.** The Legislature finds and declares all of the following:

(a) The California Fire Foundation and the California Peace Officers Memorial Foundation, Inc., have been at the center of California's commitment to honor firefighters and law enforcement officers who have given their lives in the line of duty in service to the citizens of this great state.

(b) Sponsored by the California Fire Foundation and the California Peace Officers Memorial Foundation, Inc., respectively, the California Firefighters Memorial and the California Peace Officers' Memorial were individually designed and built and are currently maintained to forever memorialize the dedication of our state's fallen heroes.

(c) Both memorials serve as lasting tributes to the men and women who gave their lives to help protect their fellow Californians.

(d) Each year, hundreds gather in Sacramento as our state joins together in ceremonies honoring and remembering the firefighting and law enforcement personnel who made the ultimate sacrifice to keep California safe.

(e) Both the California Fire Foundation and the California Peace Officers Memorial Foundation, Inc., are the official statewide nonprofit, public benefit organizations in receipt of the proceeds from two state personal income tax voluntary contribution funds.

(f) Voluntary taxpayer contributions, which are generated through the two personal income tax checkoffs on the personal income tax form, are earmarked specifically for the California Firefighters Memorial and the California Peace Officers Memorial.

(g) Both the California Fire Foundation and the California Peace Officers Memorial Foundation, Inc., are charged with funding ongoing maintenance and repair of their respective memorials for the thousands who continue to visit these sacred, solemn grounds, while each also hosts an annual memorial ceremony to honor our brave firefighters, law enforcement officers, and the families they leave behind.

(h) Funding provided by the California Firefighters Memorial Fund will allow for the modification of the California Firefighters Memorial to ensure that future firefighters who fall in the line of duty will be honored alongside their 1,400 brothers and sisters already inscribed there for generations.

(i) Extending the sunset date of the voluntary contributions to the California Firefighters' Memorial Fund and the California Peace Officer Memorial Foundation Fund on the state personal income tax return is appropriate, and doing so will continue to allow these foundations to carry out the important goal of ensuring the memorial sites remain sacred ground for all Californians to remember and reflect upon the contributions and sacrifices of our state's bravest.

**SEC. 2.** The heading of Article 9 (commencing with Section 18801) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code is amended to read:

**Article 9. Designations to the California Firefighters' Memorial Voluntary Tax Contribution Fund**

**SEC. 3.** Section 18801 of the Revenue and Taxation Code is amended to read:

**18801.** (a) Any individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Firefighters' Memorial Voluntary Tax Contribution Fund, which is established by Section 18802. That designation is to be used as a voluntary checkoff on the tax return.

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

(c) A designation shall be made for any taxable year on the initial 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 taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. In the event that no designee is specified, the contribution shall be transferred to the General Fund, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and the administration of funds under this article.

(d) In the event a taxpayer 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 forms of the return to include a space labeled the "California Firefighters' Memorial Voluntary Tax Contribution Fund" to allow for the designation permitted. 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 construct and maintain a memorial to California firefighters on the grounds of the State Capitol.

(f) 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. 4.** Section 18802 of the Revenue and Taxation Code is amended to read:

**18802.** There is in the State Treasury the California Firefighters' Memorial Voluntary Tax Contribution Fund to receive contributions made pursuant to Section 18801. 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 which taxpayers have designated pursuant to Section 18801 to be transferred to the California Firefighters' Memorial Voluntary Tax Contribution Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Firefighters' Memorial Voluntary Tax Contribution Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18801 for payment into that fund. It is the intent of the Legislature that the 1993 tax return include a space for the California Firefighters' Memorial Voluntary Tax Contribution Fund.

**SEC. 5.** Section 18803 of the Revenue and Taxation Code is amended to read:

**18803.** (a) All money transferred to the California Firefighters' Memorial Voluntary Tax Contribution Fund, upon appropriation by the Legislature, shall be allocated as follows:

- (1) 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.
- (2) To the California Fire Foundation.

(b) The money transferred to the California Firefighters' Memorial Voluntary Tax Contribution Fund pursuant to Section 18802, and allocated pursuant to paragraph (2) of subdivision (a), shall be used for the following purposes:

- (1) Maintenance and repair of the California Firefighters' Memorial on the grounds of the State Capitol.
- (2) Ceremonies to honor the memory of fallen firefighters and to assist surviving loved ones, but only from contributions made on tax returns filed on and after January 1, 2004.
- (3) An information guide detailing survivor benefits to assist the spouses and children of fallen firefighters, but only from contributions made on tax returns filed on and after January 1, 2004.

**SEC. 6.** Section 18804 of the Revenue and Taxation Code is amended to read:

**18804.** (a) This article shall remain in effect only until January 1, 2028, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2028, deletes or extends that date.

(b) (1) If the repeal date specified in subdivision (a) has been deleted and if, thereafter, in any calendar year the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than the minimum contribution amount prescribed by paragraph (2), then this article is inoperative with respect to taxable years beginning on and after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

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

(c) 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.

(d) The California Fire Foundation shall annually post on its internet website information regarding the distribution of the funds in categories consistent with purposes outlined in Section 18803 for the preceding calendar year.

**SEC. 7.** The heading of Article 9.5 (commencing with Section 18805) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code is amended to read:

**Article 9.5. Designations to the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund**

**SEC. 8.** Section 18805 of the Revenue and Taxation Code is amended to read:

**18805.** (a) A taxpayer may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund, which is established by Section 18806. That designation is to be used as a voluntary checkoff on the tax return.

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

(c) A designation shall be made for any taxable year on the initial 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 taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. In the event that no designee is specified, the contribution shall be transferred to the General Fund, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and the administration of funds under this article.

(d) In the event a taxpayer 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 forms of the return to include a space labeled the "California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund" to allow for the designation permitted. 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 build and maintain the California Peace Officers' Memorial in Sacramento, California, and for activities performed by the California Peace Officers Memorial Foundation, Inc. in support of families of slain peace officers.

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

**SEC. 9.** Section 18806 of the Revenue and Taxation Code is amended to read:

**18806.** There is in the State Treasury the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund to receive contributions made pursuant to Section 18805. 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 which taxpayers have designated pursuant to Section 18805 to be transferred to the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18805 for payment into that fund. It is the intent of the Legislature that the tax return for the 1999 taxable year include a space for the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund.

**SEC. 10.** Section 18807 of the Revenue and Taxation Code is amended to read:

**18807.** All money transferred to the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund, 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) To the Department of the California Highway Patrol for allocation to the California Peace Officers' Memorial Commission for building and maintaining the California Peace Officers' Memorial in Sacramento, California, and for activities performed by the California Peace Officers Memorial Foundation, Inc. in support of families of slain peace officers.

(c) All money transferred to the California Peace Officer Memorial Foundation Voluntary Tax Contribution Fund prior to the enactment of the act adding this subdivision is hereby appropriated for allocation as described in subdivisions (a) and (b).

(d) The California Peace Officers Memorial Foundation, Inc. shall annually post on its internet website information regarding the distribution of the funds in categories consistent with purposes outlined in this section for the preceding calendar year.

**SEC. 11.** Section 18808 of the Revenue and Taxation Code is amended to read:

**18808.** (a) This article shall remain in effect only until January 1, 2028, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2028, deletes that date.

(b) If the repeal date specified in subdivision (a) has been deleted, all of the following apply:

(1) By September 1 of the calendar year beginning after the effective date of the act deleting the repeal date and by September 1 of each subsequent calendar year that the California Peace Officer Memorial Foundation Voluntary Tax Contribution 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 Peace Officers' Memorial Commission 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 at least equal 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 first calendar year beginning after the effective date of the act that deleted the repeal date specified in subdivision (a), or the minimum contribution amount adjusted pursuant to subdivision (c).

(c) For each calendar year, beginning with calendar year 2005, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum contribution amount specified in subdivision (b) as follows:

(1) The minimum contribution amount for the calendar year shall be an amount equal to the product of the minimum contribution amount for the prior calendar year 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.