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AB-511 Personal income taxes: voluntary contributions: California ALS Research Network Voluntary Tax Contribution Fund. (2023-2024)

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Assembly Bill No. 511

CHAPTER 265

An act to add and repeal Article 17 (commencing with Section 18881) 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 30, 2023. Filed with Secretary of State September 30, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 511, Dixon. Personal income taxes: voluntary contributions: California ALS Research Network Voluntary Tax Contribution Fund.

Existing law authorizes an individual to contribute amounts in excess of personal income tax liability for the support of specified funds, including, for specified taxable years beginning on or after January 1, 2008, and before January 1, 2013, an ALS/Lou Gehrig's Disease Research Fund to provide research grants to develop and advance the understanding, techniques, and modalities effective in the prevention, treatment, and cure of ALS.

Existing law specifies general administrative provisions applicable to these voluntary contributions, which, among other things, provide for the disbursement of contributions following the repeal of the fund provisions and require undesignated funds to be transferred to the General Fund. Existing law requires any new or extended voluntary contribution to include the words "voluntary tax contribution" in the name of the fund, to require the administering agency to include specified information about the fund on its internet website, to continuously appropriate from the fund the contributions made to the administering agency, and to set a minimum contribution amount for the continuation of any voluntary tax contribution fund provisions on the tax return form and a generally applicable repeal date for voluntary tax contribution provisions.

This bill would allow an individual to designate on their tax return that a specified amount in excess of the taxpayer's personal income tax liability be transferred to the California ALS Research Network Voluntary Tax Contribution Fund. The bill would continuously appropriate the fund to the Franchise Tax Board, the Controller, and the State Department of Public Health for administrative costs and to the State Department of Public Health for disbursement to the Amyotrophic Lateral Sclerosis Association Golden West Chapter to support the work of their California ALS Research Network in an effort to develop and advance the understanding, techniques, and modalities effective in the prevention, treatment, and cure of ALS. The bill would repeal these provisions on December 1, 2031, or on December 1 of the year that the minimum contribution amount of \$250,000 is not met, as specified. By continuously appropriating these funds, 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. Article 17 (commencing with Section 18881) is added to Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, to read:

Article 17. California ALS Research Network Voluntary Tax Contribution Fund

18881. The Legislature finds and declares all of the following:

(a) Amyotrophic lateral sclerosis (ALS), more commonly known as Lou Gehrig's disease, is a degenerative disease of the motor nerves that causes progressive weakness of all voluntary muscles. People with ALS become unable to move, swallow, speak, and breathe without assistance, usually remaining fully aware of what is happening to them and their families.

(b) ALS is a fatal disease. There is no cure and only a few drug therapies, none of which allow for meaningful life extension. Most ALS patients die within two to five years of symptom onset. Every 90 minutes someone is diagnosed with ALS, and every 90 minutes someone dies of the disease. ALS knows no racial, ethnic, or socioeconomic boundaries, often striking people at midlife and at the height of family, career, and financial responsibilities.

(c) The devastating physical, emotional, and financial effects caused by the progression of ALS and the 24-hour, seven-day-a-week caregiving required impact not only the patient, but the entire family. ALS is a family disease, and the need for a coordinated effort on the part of the research and clinical care community in California is essential.

(d) It is the intent of the Legislature, in enacting this article, to establish a systematic program to bring together California's academic, clinical, and scientific infrastructure to advance our collective understanding of the causes, cures, and prevention of ALS. The outcome of this collaboration may have direct effects and consequences on the development of a comprehensive system that may identify the causes, cures, and prevention of ALS, as well as improving the screening, diagnosis, and treatment of victims of ALS. This program shall underwrite the costs of bringing together California's physicians, hospitals, laboratories, educational institutions, and other organizations and persons for the purpose of enabling organizations and persons to advance ideas and activities that will better our understanding of ALS clinical care and explore opportunities that science can play in the diagnosis, treatment, and prevention of ALS.

18882. (a) For taxable years beginning on or after January 1, 2024, and before January 1, 2031, an individual may designate on the tax return that a contribution in excess of the personal income tax liability, if any, be made to the California ALS Research Network Voluntary Tax Contribution Fund established in Section 18883. That designation is to be used as a voluntary contribution on the tax return.

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

(c) A designation 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 taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made.

(d) The Franchise Tax Board shall revise the form of the return to include a space labeled the "California ALS Research Network Voluntary Tax Contribution Fund" to allow for the designation permitted. 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 support the collaboration of clinicians, scientists, and academic and industry research organizations relating to the cure, screening, and treatment of ALS.

(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).

18883. There is hereby established in the State Treasury the California ALS Research Network Voluntary Tax Contribution Fund to receive contributions made pursuant to Section 18882. 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 18882 to be transferred to the California ALS Research Network Voluntary Tax Contribution Fund. The Controller shall transfer from the Personal Income Tax Fund to the California ALS Research Network Voluntary Tax Contribution Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18882 for payment into that fund.

18884. (a) Notwithstanding Section 13340 of the Government Code, all money transferred to the California ALS Research Network Voluntary Tax Contribution Fund shall be continuously appropriated and allocated as follows:

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

(2) (A) To the State Department of Public Health, for disbursement to the Amyotrophic Lateral Sclerosis Association Golden West Chapter, a California based nonprofit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, to support the work of their California ALS Research Network in an effort to develop and advance the understanding, techniques, and modalities effective in the prevention, treatment, and cure of ALS.

(B) The Amyotrophic Lateral Sclerosis Association Golden West Chapter shall not use moneys received pursuant to this article for administrative purposes.

(b) On or before January 1, 2025, and annually thereafter, the Amyotrophic Lateral Sclerosis Association Golden West Chapter shall provide to the State Department of Public Health information on how moneys received pursuant to this article were spent, including an itemization of how program funds were awarded, such as to specific research grants, projects, and events, and the department shall report that information on its internet website.

18885. (a) Except as otherwise provided in subdivision (b), this article shall remain in effect only until December 1, 2031, and as of that date is repealed.

(b) (1) By September 1 of the second calendar year and each subsequent calendar year that the California ALS Research Network Voluntary Tax Contribution Fund appears on the 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 contribution amount for the calendar year. 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, and shall provide written notification of those estimates 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).