

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Fuller, et al. Analyst: Jennifer Bettencourt Bill Number: AB 1935  
 Related Bills: See Prior Analysis Telephone: 845-5163 Amended Date: April 1, 2008  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** California Ovarian Cancer Research Fund

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced February 12, 2008.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS CONCERNS stated in the previous analysis of bill as introduced/amended \_\_\_\_\_.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED February 12, 2008, STILL APPLIES.
- OTHER – See comments below.

**SUMMARY**

This bill would add the California Ovarian Cancer Research Fund (Fund) to the personal income tax (PIT) return as a voluntary contribution fund.

**SUMMARY OF AMENDMENTS**

The April 1, 2008, amendments do the following:

- Remove intent language regarding when the Fund would first appear on the tax return,
- Add language that would require that the Fund be placed on the tax return upon removal of another voluntary contribution fund, and
- Affirmatively establish the Fund within the State Treasury.

The amendments also change the coauthors and make other non-substantive technical changes to this bill. The amendments resolve the “Technical Considerations” included in the department’s analysis of the bill as introduced February 12, 2008. An additional technical error has been identified and an amendment has been provided. Other than the “Effective/Operative Date,” “This Bill,” and “Technical Consideration” discussions, the analysis of the bill as introduced still applies.

Board Position:	Asst. Legislative Director	Date
<input type="checkbox"/> S		
<input type="checkbox"/> SA		
<input type="checkbox"/> N		
<input type="checkbox"/> NA		
<input type="checkbox"/> O		
<input type="checkbox"/> OUA		
<input type="checkbox"/> NP		
<input type="checkbox"/> NAR		
<input checked="" type="checkbox"/> PENDING	Patrice Gau-Johnson	4/21/08

## **EFFECTIVE/OPERATIVE DATE**

This bill would become effective January 1, 2009, and would apply to tax returns filed on or after that date.

## **ANALYSIS**

### THIS BILL

This bill would establish and add the California Ovarian Cancer Research Fund (Fund) to the PIT return as a voluntary contribution fund. Taxpayers would be able to designate their own funds, not tax liability, for contribution to the Fund on their PIT returns in full dollar amounts of \$1 or more. Each signatory on a joint return may make the contributions individually. The designations for any taxable year must be made on the initial return for the taxable year and, once made, are irrevocable. A charitable contribution would be allowed for a contribution made pursuant to this bill that would be subject to the itemized deduction rules applicable to individuals.

This bill would specify that if the taxpayer's payments and credits reported on the PIT return fail to exceed the tax liability, the designation on the return would be treated as if no designation has been made.

This bill would require Franchise Tax Board (FTB) to revise the tax return to include a designation space for the Fund beginning with the first taxable year another voluntary contribution fund is removed. It is assumed the Fund would be first placed on the PIT return for the 2008 taxable year. The remainder of the This Bill discussion reflects this assumption.

Beginning with contributions made in 2010, this bill would require the Fund to meet a minimum contribution amount for each calendar year. The "minimum contribution amount for a calendar year" is defined as \$250,000 for contributions made in 2010 or an amount adjusted for inflation for contributions made in subsequent years. The law authorizing designations to this fund would be repealed if contributions made under this bill fail to meet the minimum contribution amount.

The Fund would remain on the PIT return until January 1, 2013, in this case, the 2012 PIT return, unless a later enacted statute deletes or extends that date.

This bill would require FTB to do the following by September 1 of each subsequent calendar year that the Fund appears on the tax return:

- Determine the minimum contribution amount required to be received during the next calendar year for the fund to remain on the return.
- Notify the University of California in writing of the minimum contribution amount required for the next calendar year.
- Determine if the amount of contributions estimated to be received during the current calendar year will equal or exceed the minimum contribution amount required for that calendar year.

This bill would require the State Controller to transfer money designated for this fund by taxpayers from the Personal Income Tax Fund to the California Ovarian Cancer Research Fund. Upon appropriation by the Legislature, the monies from this fund would be allocated as follows:

1. FTB and the Controller for reimbursement of costs incurred in administering the fund.
2. The University of California for the support of ovarian cancer research, in which up to 5% of the money allocated to it may be used for costs associated with administering the ovarian cancer research program.

### **TECHNICAL CONSIDERATION**

This bill should specify that the requirements outlined for FTB to complete by September 1 should begin with September 1 of the second calendar year that the Fund is on the return. Amendment 1 has been provided to resolve this concern.

### **LEGISLATIVE STAFF CONTACT**

Legislative Analyst  
Jennifer Bettencourt  
(916) 845-5163

[jennifer.bettencourt@ftb.ca.gov](mailto:jennifer.bettencourt@ftb.ca.gov)

Revenue Manager  
Rebecca Schlussler  
(916) 845-5986

[rebecca.schlussler@ftb.ca.gov](mailto:rebecca.schlussler@ftb.ca.gov)

Asst. Legislative Director  
Patrice Gau-Johnson  
(916) 845-5521

[patrice.gau-johnson@ftb.ca.gov](mailto:patrice.gau-johnson@ftb.ca.gov)

Analyst	Jennifer Bettencourt
Telephone #	845-5163
Attorney	Patrick Kusiak

FRANCHISE TAX BOARD'S  
PROPOSED AMENDMENTS TO AB 1935  
As Amended April 1, 2008

AMENDMENT 1

On page 4, line 38 after 'By' insert:

September 1 of the second calendar year, and by