

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: May 5, 2008
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: California Ovarian Cancer Research Fund

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended April 1, 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 AMENDED April 1, 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 May 5, 2008, amendments would add language to specify that the requirements outlined for the Franchise Tax Board (FTB) to complete by September 1 should begin with September 1 of the second calendar year that the Fund is on the personal income tax return. As a result of these amendments, the “Technical Consideration” as discussed in the department’s analysis of this bill as amended April 1, 2008, has been resolved, and the “This Bill” discussion has been revised as provided below. The remainder of the analysis as amended April 1, 2008, still applies.

Board Position:	Asst. Legislative Director	Date
<input type="checkbox"/> S		
<input type="checkbox"/> SA		
<input type="checkbox"/> N		
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<input type="checkbox"/> NAR		
<input checked="" type="checkbox"/> PENDING	Patrice Gau-Johnson	5/9/08

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 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 the second calendar year and 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.

LEGISLATIVE STAFF CONTACT

Legislative Analyst
Jennifer Bettencourt

(916) 845-5163

jennifer.bettencourt@ftb.ca.gov

Revenue Manager
Rebecca Schlussler

(916) 845-5986

rebecca.schlussler@ftb.ca.gov

Asst. Legislative Director
Patrice Gau-Johnson

(916) 845-5521

patrice.gau-johnson@ftb.ca.gov