

State of California

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Legislative Change No. 08-10
Bill Number: AB 2291 Author: Mendoza Chapter Number: 08-328

Laws Affecting Franchise Tax Board: Sections 18755, 18755.1, 18755.2, and 18755.3 of the Revenue and Taxation Code

Date Filed with the Secretary of State: September 26,2008

SUBJECT: Municipal Shelter Spay-Neuter Fund

Assembly Bill 2291 (Mendoza), as enacted on September 26, 2008, made the following changes to laws impacting the Franchise Tax Board:

Section 18755 of the Revenue and Taxation Code is added.

This act allows taxpayers to designate their own money, not tax liability, to the Municipal Shelter Spay-Neuter Fund (“fund”). The contributions would be made in full dollar amounts. Each signatory on a joint return may make the contributions individually. The designations for any taxable year must be made on the individual return for the taxable year and, once made, are irrevocable. If an individual designates to more than one fund and an insufficient amount is available to satisfy the total amount designated, the contribution will be allocated among the designees on a pro rata basis. A deduction will be allowed for any contribution made.

This act specifies that the fund designation may be added to the income tax return when another voluntary contribution designation is removed. This act requires the Franchise Tax Board (FTB) to include a designation space for the fund on the individual tax return. The fund will first appear on the 2008 income tax return filed in 2009 and will last appear on the 2012 income tax return filed in 2013, unless it fails to meet the minimum contribution amount or a later enacted statute deletes or extends that date.

Section 18755.1 of the Revenue and Taxation Code is added.

This act establishes the Municipal Spay-Neuter Fund in the State Treasury to receive contributions made pursuant to this act.

This act requires FTB to notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money taxpayers have designated to the fund.

The Controller is required to transfer from the Personal Income Tax Fund to the fund an amount not in excess of the amounts reported by FTB.

Assistant Bureau Director

Patrice Gau-Johnson

Date

10/14/08

Section 18755.2 of the Revenue and Taxation Code is added.

This act requires that all money transferred to the fund be allocated, upon appropriation by the Legislature, first to FTB and the Controller for reimbursement of costs incurred performing their duties related to the fund. The remaining money is then allocated to the Department of Food and Agriculture for distribution of grants to eligible municipal shelters for the purposes of providing low cost or free spay-neuter services. The department may use up to five percent of the money allocated to municipal shelters for administrative costs incurred in connection with the Municipal Shelter Spay-Neuter Fund.

For purpose of this act “eligible municipal shelter” means a city or county animal control agency or shelter that is current on its reporting requirements to the State Department of Public Health, Veterinary Public Health Section, and offers spay and neuter services for dogs and cats owned by individual members of the public.

Section 18755.3 of the Revenue and Taxation Code is added.

This act specifies that the provisions authorizing the fund shall remain in effect until January 1 of the fifth taxable year following the first appearance of the Municipal spay-Neuter Fund on the return. As of that date, the act will be repealed unless a later statute, enacted prior to the applicable date, deletes or extends that date. The 2008 tax year is the first year this fund will appear on the personal income tax return and will be repealed January 1, 2013, unless a later enacted statute deletes or extends that date.

If FTB estimates in the second calendar year after the fund first appears on the return that contributions made to the fund on returns filed in that calendar year will be less than \$250,000 for the taxable year or the adjusted amount for subsequent years, this article is repealed for taxable years beginning on or after January 1 of that calendar year.

FTB is required to estimate the annual contribution amount by September 1 of each year using actual amounts contributed and an estimated contribution amount for the remainder of the year. For each calendar year beginning with the third calendar year, the minimum estimated contribution amount for the calendar year is adjusted for inflation based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year.

This act is effective on January 1, 2009, and operative as of that date.

This act will not require any reports by the department to the Legislature.