

SUMMARY ANALYSIS OF AMENDED BILL

Author: Hall Analyst: Brian Werking Bill Number: AB 233
 Related Bills: See Prior Analysis Telephone: 845-5103 Amended Date: August 6, 2012
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: California YMCA Youth And Government Fund

SUMMARY

This bill would allow taxpayers to make voluntary contributions to the California YMCA Youth and Government Fund on their state personal income tax returns.

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

The August 6, 2012, amendments added provisions that would require the Franchise Tax Board (FTB) to revise the personal income tax return to include a designation space for the California YMCA Youth and Government Fund as soon as space is available on the return. As a result of the amendments, the "Effective/Operative Date," "This Bill" and "Economic Impact" sections of the department's analysis of this bill as introduced February 2, 2011, have been revised.

EFFECTIVE/OPERATIVE DATE

This bill would be effective January 1, 2013, and operative as of that date. If another fund is removed or if space is available, the fund could first appear on the 2012 personal income tax return filed on or after January 1, 2013.

ANALYSIS

THIS BILL

This bill would establish the California YMCA Youth and Government Fund and would allow taxpayers to designate their own funds (not tax liability) for contribution to the fund on their personal income tax 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 personal income tax return for the taxable year and, once made, are irrevocable. This bill would require the FTB to revise the personal income tax return to include a designation space for the fund beginning with the first taxable year that another voluntary contribution fund is removed or as soon as space is available. This designation could be added to the 2012 tax return filed on or after January 1, 2013.

Board Position:	Legislative Director	Date
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For the second taxable year the fund is on the return, this bill would require the fund to meet the \$250,000 minimum contribution test. The FTB is required to estimate by September 1 of any calendar year after the first taxable year the fund appears on tax returns that contributions made under this bill will be less than \$250,000 (as indexed for inflation). The law authorizing designations for this fund would be repealed if contributions made under this bill are less than the minimum contribution amount.

This bill would allow the voluntary contribution designation to remain on the tax return for five years unless a later enacted statute deletes or extends that date.

Beginning with the third calendar year after the fund appears on the personal income tax return, the FTB would adjust the minimum contribution amount for the fund by September 1 of that year. The minimum contribution amount would adjust according to the California Consumer Price Index (also known as the CCPI), as specified.

This bill would specify that if payments and credits reported on the return do not exceed the taxpayer's liability, then the taxpayer's return shall be treated as if no designation has been made. If no designee is specified, a designated contribution amount would be transferred to the General Fund.

This bill would require the Controller to transfer money designated for this fund by taxpayers from the Personal Income Tax Fund to the California YMCA Youth and Government Fund. Upon appropriation by the Legislature, money would be transferred from this fund to the State Controller's Office and the FTB for reimbursement of the costs associated with administering this fund. The remaining funds would be transferred to the California YMCA Youth and Government Program. These funds would be used to support the California Youth and Government Program according to its bylaws.

A taxpayer would be able to deduct a contribution on the state tax return for the year in which the voluntary contribution is made.

ECONOMIC IMPACT

Revenue Estimate

This bill would result in the following revenue losses:

Estimated Revenue Impact of AB 233 Creating a California YMCA Youth and Government Fund For Contributions Made After January 1, 2013 Enactment Assumed After June 30, 2012		
2012-13	2013-14	2014-15
N/A	-\$20,000	-\$20,000

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill.

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