

## SUMMARY ANALYSIS

Author: Santiago Analyst: Funmi Obatolu Bill Number: AB 1789  
See Legislative  
Related Bills: History Telephone: 845-5845 Amended Date: March 17, 2016  
Attorney: Bruce Langston Sponsor \_\_\_\_\_

**SUBJECT:** School Supplies for Homeless Children Fund/Extend Effective/Repeal Dates

### SUMMARY

This bill would extend the effective and repeal dates for the School Supplies for Homeless Children Fund.

### RECOMMENDATION

No position.

### Summary of Amendments

The March 17, 2016, amendments would extend, rather than remove, the School Supplies for Homeless Children Fund's sunset date and would make other changes that do not affect the department's programs or operations. As a result of the amendments, the "Effective/ Operative Date," "This Bill", and "Economic Impact" sections have been revised. The remainder of the department's analysis of the bill as introduced on February 4, 2016, still applies.

### REASON FOR THE BILL

The reason for this bill is to continue to provide funding for school supplies for homeless students.

### EFFECTIVE/OPERATIVE DATE

This bill would be effective and operative on January 1, 2017.

### THIS BILL

This bill would extend the sunset for the School Supplies for Homeless Children Fund from January 1, 2017, to January 1, 2022, and extend the repeal date to December 1 of that year. This fund would last appear on the 2021 tax return if this fund continues to meet the minimum contribution amount through the 2021 calendar year.

## ECONOMIC IMPACT

This bill would result in the following revenue loss:

Estimated Revenue Impact of AB 1789 As Amended on March 17, 2016 Assumed Enactment After June 30, 2016		
2016-17	2017-18	2018-19
N/A	- \$10,000	- \$15,000

## Revenue Discussion

This bill would extend the fund's repeal date thus allowing the School Supplies for Homeless Children Fund to remain on the return after 2016 until 2021, as long as the minimum contribution amount is met. The estimate assumes that the fund will continue to meet the minimum contribution each year to remain on the personal income tax return.

Based on historical tax data, FTB estimates contributions would be \$400,000 for taxable year 2016. Approximately 56 percent of taxpayers who contribute to voluntary contribution funds itemize their deductions. It is estimated the average tax rate for these taxpayers is six percent, resulting in the estimated revenue loss of approximately \$10,000 in 2017, and \$15,000 each year thereafter.

The tax year estimates are converted to fiscal years, rounded, and reflected in the table above.

## SUPPORT/OPPOSITION

Support: K to College (sponsor).

Opposition: None provided.

## LEGISLATIVE STAFF CONTACT

Funmi Obatolu  
Legislative Analyst, FTB  
(916) 845-5845  
[funmi.obatolu@ftb.ca.gov](mailto:funmi.obatolu@ftb.ca.gov)

Jame Eiserman  
Revenue Manager, FTB  
(916) 845-7484  
[jame.eiserman@ftb.ca.gov](mailto:jame.eiserman@ftb.ca.gov)

Gail Hall  
Legislative Director, FTB  
(916) 845-6333  
[gail.hall@ftb.ca.gov](mailto:gail.hall@ftb.ca.gov)