

SUMMARY ANALYSIS OF AMENDED BILL

Author: Hertzberg, et al. Analyst: Funmi Obatolu Bill Number: SB 61
 Related Bills: See Prior Telephone: 845-5845 Amended Date June 28, 2017
Analysis Attorney: Bruce Langston Sponsor: _____

SUBJECT: Emergency Food for Families Voluntary Tax Contribution Fund/Extend Repeal Date Until December 1, 2026

SUMMARY

This bill would, under the Personal Income Tax Law, modify provisions of the Emergency Food Assistance Program Fund.

This analysis only addresses the provisions of the bill that impact the department’s programs and operations.

RECOMMENDATION – NO POSITION

SUMMARY OF AMENDMENTS

The June 28, 2017, amendments added co-authors, made several minor technical changes, and removed the annual minimum contribution amount’s indexing requirement. As a result of the amendments, the “This Bill” section has been revised. The remainder of the department’s analysis of the bill as introduced on December 21, 2016, still applies. The “Fiscal Impact” and “Economic Impact” sections have been restated for convenience. The “Support/Opposition” section has been updated to reflect currently available information.

THIS BILL

This bill would rename the Emergency Food Assistance Program Fund as the Emergency Food for Families Voluntary Tax Contribution Fund, extend the sunset date for the renamed Fund from January 1, 2019, to January 1, 2026, and specify a fixed minimum annual contribution amount of \$250,000 for the renamed Fund to remain on the return.

FISCAL IMPACT

This bill would not significantly impact the department’s costs.

ECONOMIC IMPACT

This bill would result in the following revenue loss:

Estimated Revenue Impact of SB 61 As Amended June 28, 2017 Assumed Enactment After June 30, 2017		
2017-18	2018-19	2019-20
N/A	N/A	N/A
There is no revenue impact associated with the name change, however the repeal date extension would have a revenue impact beginning in fiscal year 2020-21.		

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

Revenue Discussion

This bill would rename the Emergency Food Assistance Fund to the Emergency Food for Families Voluntary Tax Contribution Fund, and extend the repeal date from January 1, 2019, to January 1, 2026. In 2016, California taxpayers contributed \$502,000 to the Emergency Food Assistance Fund.

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 an estimated revenue loss of approximately \$20,000 annually.

Contributions related to the extension of the fund will be made in 2020 when the 2019 return is filed. Subsequently, the deduction for such contributions would be claimed on the 2020 return filed by April 15, 2021; therefore, the revenue impact would not occur until fiscal year 2020-21.

SUPPORT/OPPOSITION¹

Support: Alameda County Community Food Bank, California Alternative Payment Program Association, Emergency Food Bank Stockton/San Joaquin, Feeding San Diego, Food Bank Coalition of San Luis Obispo County, Food for People, the Food Bank for Humboldt County, Imperial Valley Food Bank, OC Food Bank, Sacramento Food Bank & Family Services, San Diego Food Bank, Second Harvest Food Bank of Orange County, Second Harvest Food Bank of Santa Cruz County, SF-Marin Food Bank, and Yolo Food Bank.

Opposition: None provided.

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¹ From Assembly Revenue & Taxation Committee analysis dated June 19, 2017.