



Summary Analysis of Amended Bill

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Sponsor:

Bill Number: AB 984

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Amended: April 24, 2019, and
May 29, 2019

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Related Bills: See Prior Analysis

Subject: Suicide Prevention Voluntary Tax Contribution Fund

Summary

This bill would, under the Personal Income Tax Law, allow a taxpayer to make a voluntary contribution to the Suicide Prevention Voluntary Tax Contribution Fund on the state personal income tax return.

Recommendation – No position.

Summary of Amendments

The April 24, 2019, amendments revised the repeal date and made other nonsubstantive changes.

The May 29, 2019, amendments added several co-authors.

Except for the “This Bill,” section, the remainder of the department’s analysis of the bill as amended on March 11, 2019, still applies. The “Implementation Considerations,” “Fiscal Impact” and “Economic Impact” sections have been restated below for convenience.

This Bill

This bill would establish the Suicide Prevention Voluntary Tax Contribution Fund and allow taxpayers to make designated contributions 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 contribution individually. The designations for any taxable year must be made on the initial return for the taxable year and, once made, are irrevocable.

In addition, this bill would do the following:

- Specify that if payments and credits reported on the return do not exceed the taxpayer’s liability, the taxpayer’s return would be treated as if no designation had been made.

- Require the Franchise Tax Board (FTB) after another voluntary contribution fund is removed or as soon as space is available to revise the form of the return to include a designation space for the Suicide Prevention Voluntary Tax Contribution Fund. In addition, this bill would require the return's instructions to include information that the contribution may be in the amount of \$1 or more and that the contribution would be used to fund grants to nonprofit organizations that provide suicide prevention services.
- Allow a charitable contribution deduction on the state income tax return for the year in which a contribution is made.
- Allow the voluntary contribution designation to remain on the tax return only until January 1 of the seventh calendar year following the first appearance on the personal income tax return, subject to the annual estimated contribution meeting or exceeding \$250,000 for each year after the first calendar year the designation appears on the tax return.
- Require the FTB, to estimate by September 1 of each calendar year after the first calendar year the Suicide Prevention Voluntary Tax Contribution Fund appears on the return whether contributions made under this bill would be less than \$250,000.
- If the estimated contributions are less than \$250,000, the law authorizing designations for the Suicide Prevention Voluntary Tax Contribution Fund would become inoperative as of January 1 of that calendar year and repealed as of December 1 of that year.

The FTB would be required to notify the Controller of the amount to be transferred to the Suicide Prevention Voluntary Tax Contribution Fund. Amounts transferred to the Suicide Prevention Voluntary Tax Contribution Fund would be continuously appropriated and allocated as follows:

- To the FTB, the Controller and the State Department of Health Care Services (DHCS) for reimbursement of associated administrative costs, and
- To the DHCS, to award grants to nonprofit organizations providing suicide prevention services.

Implementation Considerations

Implementing this bill would require some changes to existing tax forms and instructions and information systems.

Fiscal Impact

The department's costs to implement this bill have yet to be determined. As the bill moves through the legislative process, costs will be identified.

Economic Impact

Revenue Estimate

This bill would result in the following revenue loss:

Estimated Revenue Impact of AB 984 as Amended on May 29, 2019
Assumed Enactment after June 30, 2019

Fiscal Year	Revenue
2019-2020	-\$0
2020-2021	-\$8,000
2021-2022	-\$8,000

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill or for the net final payment method of accrual.

Revenue Discussion

This bill would add the Suicide Prevention Voluntary Tax Contribution Fund to the voluntary contribution funds listed on the state's personal income tax return. The estimate assumes that the fund would receive \$250,000 in contributions each year.

Approximately 56 percent of taxpayers who contribute to voluntary contribution funds itemize their deductions. It is estimated that the average tax rate for these taxpayers is 6 percent, resulting in an estimated revenue loss of approximately \$8,000 annually.

Contributions would be made in 2020 when the 2019 return is filed. Subsequently, the deduction for the contribution would be claimed on the 2020 return filed by April 15, 2021, therefore; the revenue impact would not occur until fiscal year 2020-2021.

The tax year estimates are converted to fiscal year revenue estimates then rounded to arrive at the amounts reflected in the above table.

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