



Bill Analysis

Author: Stone, et al.

Sponsor:

Bill Number: AB 1766

Related Bills: See Legislative
History

Introduced: February 2, 2022

SUBJECT

Department of Motor Vehicles Identification Cards

SUMMARY

This bill would amend the Vehicle Code to require the issuance of an identification card, as specified. This bill, under Personal Income Tax Law, would allow the Franchise Tax Board (FTB) to request the taxpayer to provide identifying documents acceptable for purposes of obtaining the identification card to substantiate the California Earned Income Tax Credit (CalEITC).

This analysis is limited to discussion of the changes that would affect the department.

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

Not applicable.

REASON FOR THE BILL

The reason for this bill is to expand California identification card eligibility to all Californians.

ANALYSIS

This bill would require the holder of an identification card issued by the Department of Motor Vehicles, to provide identifying documentation acceptable for purposes of obtaining an identification card upon request by the FTB to substantiate the CalEITC.

Effective/Operative Date

This bill would be effective and operative January 1, 2024.

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Federal/State Law

Existing federal law allows eligible individuals a refundable Earned Income Tax Credit (EITC) under Internal Revenue Code (IRC) section 32. The refundable credit allows for the excess of the credit over the taxpayer's tax liability to be refunded to the taxpayer. The EITC is a percentage of the taxpayer's earned income and is phased out as income increases.

The Secretary of the Treasury is authorized to require information as may be necessary to assign an identifying number to any person.

State law provides a refundable CalEITC that is generally patterned after IRC section 32, as applicable for state income tax purposes for the taxable year, except as modified. Current status requires a qualifying taxpayer to have a social security number or an individual Taxpayer Identification number to file a return or claim the CalEITC and also requires identifying documents sufficient to obtain a driver's license to be provided upon request.

Implementation Considerations

None noted.

Technical Considerations

Act Section 4, amends Revenue and Taxation Code section 17052. Subdivision (q)(1)(A) of that section currently refers to "Section 12801.9 of the Vehicle Code, enacted by Chapter 524 of the Statutes of 2013". If this bill is enacted Section 12801.9 will be amended, thus the statement "enacted by Chapter 524 of the Statutes of 2013" will conflict with this amendment. It is recommended that Section 17052 be further amended to eliminate the phrase "enacted by Chapter 524 of the Statutes of 2013".

Policy Considerations

None noted.

LEGISLATIVE HISTORY

AB 1876 (Committee on Budget, Chapter 87, Statutes of 2020) modified the CalEITC by allowing the use of federal Individual Taxpayer Identification Numbers for all eligible individuals, eligible individuals' spouses, and qualifying children.

PROGRAM BACKGROUND

None noted.

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FISCAL IMPACT

The department anticipates minimal costs for this bill. As the bill moves through the legislative process, the department will evaluate the impact of all the legislative changes that impact the department and request the appropriate resources.

ECONOMIC IMPACT

Revenue Estimate

This bill as introduced February 2, 2022, would not impact state income or franchise tax revenue.

LEGAL IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

To be determined.

ARGUMENTS

To be determined.

LEGISLATIVE CONTACT

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