



Bill Analysis

Author: Irwin

Sponsor:

Bill Number: AB 1268

Related Bills: See Legislative
History

Amended: May 30, 2023

SUBJECT

Organ Donor Election on Tax Return

SUMMARY

This bill, under the Administration of Franchise and Income Tax Law (AFITL), would require the Franchise Tax Board (FTB) to create a new checkbox for an individual to consent to be placed on an organ and tissue donor registry and for FTB to provide specific information to Donate Life California (DLC).

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

The May 30, 2023, amendments modified the requirement to add a checkbox on the return to include that more than one checkbox be added for individuals to provide written consent for DLC to enroll the individual in the DLC Organ and Tissue Donor Registry, specified that the written consent to have information shared with DLC would be valid for one year from the date the return is signed, and made other nonsubstantive changes.

The May 30, 2023, amendments resolved one implementation consideration discussed in the FTB's combined analysis of the bill as introduced on February 16, 2023, and amended on March 27, 2023.

REASON FOR THE BILL

The reason for the bill is to increase the number of registered organ donors in California.

Amended May 30, 2023

ANALYSIS

This bill, under the AFITL, for taxable years beginning on or after January 1, 2025, would require the FTB to include checkboxes for individuals, including spouses filing a joint return, heads of households, or surviving spouses, to provide written consent for the following:

- For DLC to enroll the individual in the Donate Life California Organ and Tissue Donor Registry (the Registry).
- For the FTB to share the individual's information with DLC.

The individual's written consent for FTB to share information with DLC would be valid for one year from the date the return is signed.

This bill would require the FTB enter into a memorandum of understanding with the Registry to mutually agree on the language to be used on the returns.

Beginning January 1, 2026, for each individual that provides consent to be added to the Registry and to share their information with the DLC, this bill would require the FTB to provide annually to DLC the individual's name, address, date of birth, and last four digits of the individual's social security number.

This bill would require the FTB and DLC enter into a data sharing agreement by January 1, 2025.

Effective/Operative Date

This bill would be effective and operative on January 1, 2024. The checkbox would first appear on the 2025 tax return.

Federal/State Law

Federal Law

No comparable provision in federal law.

State Law

Current state tax law provides that information collected from income tax returns is considered confidential and, unless specifically available for other uses, must be used only to administer the income tax laws. The FTB may disclose taxpayer information only in limited circumstances and only to specific agencies as authorized by law. Improper disclosure of federal tax information is punishable as a felony, and improper disclosure of state tax information is punishable as a misdemeanor.

Amended May 30, 2023

Implementation Considerations

None noted.

Technical Considerations

None noted.

Policy Considerations

Although the bill specifies that written consent to have information shared with DLC would be valid for one year from the date the return is signed, the bill does not identify the length of time the written consent to be included on the Registry would be valid, so an individual's consent to be included on the Registry would be ongoing. If the author's intent is to limit the consent to be included on the Registry for one year, the bill would need to be amended.

LEGISLATIVE HISTORY

None noted.

PROGRAM BACKGROUND

Information received, generated, and maintained by the FTB is generally considered confidential unless specifically provided otherwise by statute. The FTB currently collects and shares information with departments to assist with program administration, and to name a few, FTB provides voter registration information to the Secretary of State, individual requests for health care coverage information to the California Health Benefit Exchange, and Business Entity information for the State Controller's Office unclaimed property program.

FISCAL IMPACT

This bill would impact the department's systems, resulting in programming and processing revisions, and form revisions as well as the need for taxpayer outreach, however the department's costs to implement this bill have yet to be determined. As the bill continues to move through the legislative process, costs will be determined.

ECONOMIC IMPACT

Revenue Estimate

This bill as amended on May 30, 2023, would not impact state income or franchise tax revenue.

LEGAL IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

Support

As per the June 28, 2023, Senate Floor analysis of AB 1268, the following organization is in support of this bill.

Donate Life California (Sponsor)

Opposition

Per the same analysis, there is no opposition on file.

ARGUMENTS

To be determined.

LEGISLATIVE CONTACT

FTBLegislativeServices@ftb.ca.gov