



Bill Analysis

Author: Waldron & Wood

Bill Number: AB 1828

SUBJECT

Rare and Endangered Species Preservation Voluntary Tax Contribution Program/Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund

SUMMARY

This bill would, under the Administration of Franchise and Income Tax Law (AFITL) extend the repeal date of the Rare and Endangered Species Preservation Voluntary Tax Contribution Program and the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund.

This bill would, under the Fish and Game Code, revise the purpose of the competitive grant program for which the voluntary contributions in the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund are used.

This analysis only addresses the provisions of the bill that impact the Franchise Tax Board's (FTB) programs and operations.

REASON FOR THE BILL

The reason for the bill is to extend the time the Rare and Endangered Species Preservation Voluntary Tax Contribution Program and the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund will be listed on a California tax return.

ANALYSIS

This bill would extend the sunset date for the Rare and Endangered Species Preservation Voluntary Tax Contribution Program from January 1, 2025, to January 1, 2032.

This bill would extend the sunset date for the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund from January 1, 2024, to January 1, 2031.

This bill would revise the purpose of the competitive grant program for which the funds in Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund are used to support, to be for the rehabilitation of injured, sick, or orphaned wildlife, and wildlife conservation education.

Effective/Operative Date

This provision would be effective on January 1, 2025, and operative as of that date.

*Federal/State Law**Federal Law*

No comparable provision in federal law.

State Law

Current state tax law allows taxpayers to make monetary contributions to any of the 18 voluntary contribution funds listed on the 2023 personal income tax return.

Taxpayers contributing to any of the funds are specifically allowed to deduct those contributions on their state income tax return for the year in which the contribution is made.

Generally, funds remain on the return until they are either repealed by operation of law or fail to meet a minimum contribution amount.

By September 1 of each calendar year, the FTB is required to determine whether estimated contributions to the Rare and Endangered Species Preservation Voluntary Tax Contribution Program will be less than the minimum contribution amount for that calendar year.

In addition, by September 1 of each calendar year, beginning on the second calendar year the fund appears on the tax return, the FTB is required to determine whether estimated contributions to the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund will be less than the minimum contribution amount for that calendar year.

If the FTB estimates that contributions to a fund will fail to meet the minimum contribution amount for a calendar year, that fund is repealed effective January 1 of that calendar year.

The following general requirements apply to new or extended voluntary contribution funds:

- The words “voluntary tax contribution” must be included as part of the name of the fund.
- The administering agency’s internet website shall report specific data related to the usage of the amounts received via voluntary contribution.
- A voluntary contribution fund must receive a minimum contribution of \$250,000 for the second calendar year after it first appears on the tax return, and each calendar year thereafter, to remain on the tax return.
- A voluntary tax contribution would remain in effect only until January 1 of the seventh calendar year following the first appearance of the contribution on the tax return and be repealed as of December 1 of that year.

The Rare and Endangered Species Preservation Voluntary Tax Contribution Program will remain operative until January 1, 2025, if the minimum contribution amount is met. The Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund will remain operative until January 1, 2024, if the minimum contribution amount is met.

For purposes of the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund, current state law requires the FTB to include in the instructions of the tax return information that the contribution would be used to support the recovery and rehabilitation of injured, sick, or orphaned native wildlife and conservation education.

Implementation Considerations

None noted.

Technical Considerations

None noted.

Policy Considerations

None noted.

LEGISLATIVE HISTORY

AB 2197 (Addis, Chapter 150, Statutes of 2024) extended the repeal date of the Protect Our Coast and Oceans Voluntary Tax Contribution Fund.

AB 2689 (Bains and Kalra, Chapter 112, Statutes of 2024) extended the repeal date of the California Alzheimer's Disease and Related Dementia Research Voluntary Tax Contribution Fund.

SB 1172 (Grove et al., Chapter 103, Statutes of 2024) extended the last tax year that the California Breast Cancer Research Voluntary Tax Contribution Fund and the California Cancer Research Voluntary Tax Contribution Fund.

AB 1031 (Walderon, Chapter 504, Statutes of 2017) extended the sunset date from January 1, 2018, to January 1, 2025, and modified requirements of the Rare and Endangered Species Preservation Voluntary Tax Contribution Program. Additionally, it created the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund.

PROGRAM BACKGROUND

The Rare and Endangered Species Preservation Voluntary Tax Contribution Program first appeared on the 1983 return and the following are the total annual contributions to this fund for the past three years:

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$579,719	\$479,150	\$441,935

The Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund first appeared on the 2017 return and the following are the total annual contributions to this fund for the past three years:

<u>2021</u>	<u>2022</u>	<u>2023</u>
\$465,685	\$349,586	\$318,078

OTHER STATES' INFORMATION

None noted.

FISCAL IMPACT

The bill would not significantly impact the FTB's costs.

ECONOMIC IMPACT

Revenue Estimate

This bill would result in the following revenue losses:

The Rare and Endangered Species Preservation Voluntary Tax Contribution Program

Estimated Revenue Impact of AB 1828
Assumed Enactment After June 30, 2024

Fiscal Year	Revenue
2024-2025	n/a
2025-2026	n/a
2026-2027	-\$5,000

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 extend the repeal date for the Rare and Endangered Species Preservation Voluntary Tax Contribution Program from January 1, 2025, to January 1, 2032.

The estimate assumes the fund would receive the \$250,000 minimum contribution amount each year. Approximately 35 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 \$5,000 annually.

Contributions would be made when the 2025 return is filed by April of 2026. Subsequently, the deduction for the contribution would be claimed when the 2026 return is filed by April 15, 2027; therefore, the revenue impact would occur in fiscal year 2026-2027.

The Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund

Estimated Revenue Impact of AB 1828
Assumed Enactment After June 30, 2024

Fiscal Year	Revenue
2024-2025	n/a
2025-2026	-\$5,000
2026-2027	-\$5,000

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 extend the Native California Wildlife Rehabilitation Voluntary Tax Contribution Fund from January 1, 2024, to January 1, 2031.

The estimate assumes the fund would receive the \$250,000 minimum contribution amount each year. Approximately 35 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 \$5,000 annually.

Contributions would be made when the 2024 return is filed by April of 2025. Subsequently, the deduction for the contribution would be claimed when the 2025 return is filed by April 15, 2026; therefore, the revenue impact would occur in fiscal year 2025-2026.

LEGAL IMPACT

None noted.

EQUITY IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

Senate Revenue and Taxation Committee analysis 06-07-2024.

Support

Bird Ally X
California Council for Wildlife Rehabilitators
California Native Plant Society
California Raptor Center
California Wildlife Center
Defenders of Wildlife
Humane Society of The United States; the
Lake Tahoe Wildlife Care
Lindsay Wildlife Experience
Mother Lode Wildlife Care
Napa Wildlife Rescue
Native Animal Rescue
Native Songbird Care & Conservation
Norcal Bats
Ohlone Humane Society Wildlife Rehabilitation Center
Opossum Society of California
Pacific Wildlife Care
Pasadena Humane
Project Coyote
San Diego Humane Society - Project Wildlife
San Diego Humane Society and SPCA
Sierra Wildlife Rescue
Sonoma County Wildlife Rescue
SPCA Monterey County
Sunshine Haven Wildlife Rehabilitation
The Bird Rescue Center
Wetlands and Wildlife Care Center
Wildlife Care Association
Wildlife Rehabilitation & Release
Yggdrasil Urban Wildlife Rescue

Opposition:

None on file.

VOTES

Location	Date	Yes Votes	No Votes
Senate Floor	August 12, 2024,	38	0
Assembly Floor	April 4, 2024	70	0

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