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**INTRODUCED BY SENIOR ASSEMBLY MEMBER POINTER**

Legislative Counsel’s Digest

AP 9: CALIFORNIA VOLUNTARY CONTRIBUTIONS PROGRAM.

UNDER EXISTING LAW, INDIVIDUALS ARE ALLOWED TO CONTRIBUTE AMOUNTS IN EXCESS OF PERSONAL TAX LIABILITY FOR THE SUPPORT OF SPECIFIED VOLUNTARY CONTRIBUTION FUNDS, AND THESE VARIOUS VOLUNTARY CONTRIBUTION CHECK-OFF FUNDS ARE REQUIRED TO BE ON THE PERSONAL INCOME TAX RETURN.

THIS MEASURE WOULD MEMORIALIZE THE LEGISLATURE AND THE GOVERNOR TO ENACT LEGISLATION THAT WOULD MODIFY THE EXISTING VOLUNTARY CONTRIBUTION FUND PROCESS BY ESTABLISHING THE CALIFORNIA VOLUNTARY CONTRIBUTIONS PROGRAM AND WOULD AUTHORIZE THE OFFICE OF CALIFORNIAVOLUNTEERS TO ADMINISTER THE PROGRAM. THE MEASURE WOULD ALSO MEMORIALIZE THE LEGISLATURE AND THE GOVERNOR TO ENACT LEGISLATION THAT WOULD REQUIRE THE FRANCHISE TAX BOARD TO REVISE THE TAX RETURN PROCESS AND ANY CORRESPONDING INFORMATIONAL MATERIAL, AND TO ALLOW FOR THE DESIGNATION OF CONTRIBUTIONS TO QUALIFIED APPLICANTS.

VOTE MAJORITY.

AP 9: RELATING TO CALIFORNIA VOLUNTARY CONTRIBUTIONS PROGRAM

WHEREAS, THE CALIFORNIA STATE LEGISLATURE HAS STATED IN PAST LEGISLATIVE PROPOSALS, WHICH WERE NOT ENACTED, THAT THE STATE OF CALIFORNIA HAS A ROLE IN INFORMING THE PUBLIC OF THE VALUE AND NEED FOR COMMUNITY SERVICE, VOLUNTEERS, AND CHARITABLE GIVING AS A FORM OF CIVIC ENGAGEMENT IN ORDER TO SUPPORT IMPORTANT SOCIAL AND COMMUNITY PROGRAMS, AND FURTHER DECLARED THAT THERE ARE MANY WORTHY CHARITABLE CAUSES IN CALIFORNIA THAT MAY BENEFIT FROM TAXPAYERS’ VOLUNTARY CHARITABLE CONTRIBUTIONS. HOWEVER, UNDER THE EXISTING VOLUNTARY CONTRIBUTION PROCESS, MANY TAXPAYERS ARE NOT EXPOSED TO VARIOUS CHARITABLE CONTRIBUTION OPPORTUNITIES; AND

WHEREAS, A VOLUNTARY CONTRIBUTION IS AN ELECTION MADE BY THE TAXPAYER TO DESIGNATE AMOUNTS ON HIS OR HER TAX RETURN TO CHARITABLE FUNDS. VOLUNTARY CONTRIBUTIONS MAY BE MADE ON THE FOLLOWING RETURNS: 540 2EZ, 540, 540NR LONG OR SHORT FORM, AND 541 SCHEDULE C; AND

WHEREAS, CURRENTLY ALL CHARITABLE VOLUNTARY CONTRIBUTION FUNDS ARE LEGISLATIVELY ENACTED BY THE CALIFORNIA STATE LEGISLATURE; AND

WHEREAS, THE OFFICE OF CALIFORNIAVOLUNTEERS SHOULD ESTABLISH AN APPLICATION PROCESS FOR QUALIFIED APPLICANTS TO RECEIVE VOLUNTARY CONTRIBUTIONS THROUGH THE PERSONAL INCOME TAX RETURN FORMS WITHOUT THE INVOLVEMENT OF THE CALIFORNIA STATE LEGISLATURE; AND

WHEREAS, THESE FUNDS WOULD BE DISTRIBUTED TO CHARITABLE ORGANIZATIONS, OR AN ORGANIZATION EXEMPT FROM INCOME TAX AS DESCRIBED IN SECTION 23701D OF THE REVENUE AND TAXATION CODE, AND THAT MEETS THE DEFINITION OF A “QUALIFIED APPLICANT,” WHICH IS A STATE OR LOCAL AGENCY OR CHARITABLE ORGANIZATION THAT MEETS THE FOLLOWING REQUIREMENTS: IS CURRENTLY RECOGNIZED AS AN AUTHORIZED PARTICIPANT IN THE VOLUNTARY CONTRIBUTION PROGRAM, HAS REGISTERED IN CALIFORNIA WITH THE ATTORNEY GENERAL’S REGISTRY OF CHARITABLE TRUSTS FOR THREE YEARS PRIOR TO THE DATE OF APPLICATION, HAS MET REQUIREMENTS ESTABLISHED BY STATUTE AND THE ATTORNEY GENERAL FOR THE REGISTRY OF CHARITABLE TRUSTS, HAS SUBMITTED ANNUAL RETURNS OR STATEMENTS WITH THE FRANCHISE TAX BOARD PURSUANT TO THE REVENUE AND TAXATION CODE, AND HAS AVERAGE ANNUAL TOTAL REVENUES IN EXCESS OF THE MINIMUM CONTRIBUTION LEVEL OF $100,000; AND

WHEREAS, THE FRANCHISE TAX BOARD SHOULD BE REQUIRED TO REVISE THE TAX RETURN TO ALLOW FOR THE DESIGNATION OF CONTRIBUTIONS TO QUALIFIED APPLICANTS. THE FRANCHISE TAX BOARD WOULD FURTHER BE REQUIRED TO REVISE OTHER RELATED MATERIALS, INCLUDING, BUT NOT LIMITED TO, ONLINE MATERIALS, SEPARATE SCHEDULES, BOOKLETS, OR INSTRUCTIONS IN A MANNER NECESSARY TO INFORM INDIVIDUALS ABOUT THE QUALIFIED APPLICANTS AND HOW TO MAKE A DESIGNATION ON THE PERSONAL INCOME TAX RETURN; AND

WHEREAS, UNDER THE REVENUE AND TAXATION CODE, THIS CHANGE WOULD MODIFY THE CURRENT VOLUNTARY CONTRIBUTION DESIGNATION PROCESS BY ESTABLISHING THE CALIFORNIA VOLUNTARY CONTRIBUTIONS PROGRAM AND AUTHORIZING THE OFFICE OF CALIFORNIAVOLUNTEERS TO ADMINISTER THE PROGRAM; NOW, THEREFORE, BE IT

RESOLVED, BY THE SENIOR ASSEMBLY AND THE SENIOR SENATE, JOINTLY, THAT THE SENIOR LEGISLATURE OF THE STATE OF CALIFORNIA AT ITS 2017 REGULAR SESSION, A MAJORITY OF THE MEMBERS VOTING THEREFOR, HEREBY PROPOSES THAT THE REVENUE AND TAXATION CODE BE AMENDED TO MODIFY THE CURRENT VOLUNTARY CONTRIBUTION DESIGNATION PROCESS BY ESTABLISHING THE CALIFORNIA VOLUNTARY CONTRIBUTIONS PROGRAM AND AUTHORIZING THE OFFICE OF CALIFORNIAVOLUNTEERS TO ADMINISTER THE PROGRAM; AND BE IT FURTHER

RESOLVED, THAT THE FRANCHISE TAX BOARD WOULD BE REQUIRED TO REVISE THE TAX RETURN TO ALLOW FOR THE DESIGNATION OF CONTRIBUTIONS TO QUALIFIED APPLICANTS. THE FRANCHISE TAX BOARD WOULD FURTHER BE REQUIRED TO REVISE OTHER RELATED MATERIALS, INCLUDING, BUT NOT LIMITED TO, ONLINE MATERIALS, SEPARATE SCHEDULES, BOOKLETS, OR INSTRUCTIONS IN A MANNER NECESSARY TO INFORM INDIVIDUALS ABOUT THE QUALIFIED APPLICANT AND HOW TO MAKE A DESIGNATION ON THE PERSONAL INCOME TAX RETURN; AND BE IT FURTHER

RESOLVED, THAT TAXPAYERS WOULD BE ALLOWED TO DESIGNATE THEIR OWN FUNDS FOR CONTRIBUTION TO A QUALIFIED APPLICANT ON THEIR TAX RETURNS IN FULL DOLLAR AMOUNTS OF $1 OR MORE. EACH SIGNATORY ON A JOINT RETURN MAY MAKE THE CONTRIBUTIONS INDIVIDUALLY. THE DESIGNATIONS FOR ANY TAXABLE YEAR MUST BE MADE ON THE INITIAL RETURN FOR THE TAXABLE YEAR AND, ONCE MADE, ARE IRREVOCABLE. AN ITEMIZED DEDUCTION WOULD BE ALLOWED FOR ANY CONTRIBUTION MADE TO A QUALIFIED APPLICANT; AND BE IT FURTHER

RESOLVED, THAT IF PAYMENTS AND CREDITS REPORTED ON THE RETURN DO NOT EXCEED THE TAXPAYER’S LIABILITY, THEN THE TAXPAYER’S RETURN WOULD BE TREATED AS IF NO DESIGNATION HAS BEEN MADE. IF NO DESIGNEE IS SPECIFIED OR THE SPECIFIED DESIGNEE IS NOT A QUALIFIED APPLICANT, A DESIGNATED CONTRIBUTION AMOUNT WOULD BE TRANSFERRED TO THE OFFICE OF CALIFORNIAVOLUNTEERS TO FURTHER THE PURPOSE OF THE PROGRAM; AND BE IT FURTHER

RESOLVED, THAT IF A TAXPAYER DESIGNATES A CONTRIBUTION TO A QUALIFIED APPLICANT WHOSE ELIGIBILITY FOR RECEIVING VOLUNTARY CONTRIBUTIONS HAS BEEN REVOKED, BUT WAS ELIGIBLE TO RECEIVE A VOLUNTARY CONTRIBUTION FOR THE TAXABLE YEAR IN WHICH THE DESIGNATION WAS MADE, THE CONTRIBUTION WOULD BE DISTRIBUTED TO THE QUALIFIED APPLICANT; AND BE IT FURTHER

RESOLVED, THAT THE OFFICE OF CALIFORNIAVOLUNTEERS WOULD BE REQUIRED TO DETERMINE IF A QUALIFIED APPLICANT IS NO LONGER ELIGIBLE TO RECEIVE VOLUNTARY CONTRIBUTIONS THROUGH THE TAX RETURN, REVOKE THE ELIGIBILITY OF THE QUALIFIED APPLICANT FROM THE PROGRAM, AND NOTIFY THE FRANCHISE TAX BOARD OF THE REVOCATION; AND BE IT FURTHER

RESOLVED, THAT THE SENIOR LEGISLATURE OF THE STATE OF CALIFORNIA RESPECTFULLY MEMORIALIZES THE LEGISLATURE AND THE GOVERNOR OF THE STATE OF CALIFORNIA TO ENACT APPROPRIATE LEGISLATION THAT WOULD ADDRESS THE CONCERNS SET FORTH IN THIS MEASURE; AND BE IT FURTHER

RESOLVED, THAT A COPY OF THIS MEASURE BE TRANSMITTED TO THE SPEAKER OF THE ASSEMBLY, THE PRESIDENT PRO TEMPORE OF THE SENATE, AND THE GOVERNOR OF THE STATE OF CALIFORNIA.