

**Introduced by Senator De León**

February 14, 2013

---

An act to add and repeal Sections 17053.86 and 23686 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 284, as introduced, De León. Income taxes: credits: contributions to education funds.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws.

This bill, under both laws, for taxable years beginning on or after January 1, 2014, and before January 1, 2017, would allow a credit equal to a certain percentage of a contribution to the College Access Tax Credit Fund, established by this bill, for specified education purposes, as provided. This bill would specify that the aggregate amount of credit that may be allocated under both laws shall not exceed \$500,000,000 for each calendar year, and would require the Treasurer to perform certain duties with regard to allocating and certifying the tax credits allowed under these provisions.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

P1 1

SECTION 1.

Section 17053.86 is added to the *Revenue and Taxation Code*, to read:

P2 1

17053.86.

(a) (1) For taxable years beginning on or after January 1, 2014, and before January 1, 2017, there shall be allowed a credit against the "net tax," as defined in Section 17039, an amount equal to the following:

5(A) For each taxable year beginning on and after January 1, 2014, and before January 1, 2015, 60 percent of the amount contributed by the taxpayer 2014 taxable year to the College Access Tax Credit Fund, as allocated and certified by the Treasurer.

9(B) For each taxable year beginning on and after January 1, 2015, and before January 1, 2016, 55 percent of the amount

11 contributed by the taxpayer 2015 taxable year to the College Access  
12 Tax Credit Fund, as allocated and certified by the Treasurer.

13(C) For each taxable year beginning on and after January 1,  
14 2016, and before January 1, 2017, 50 percent of the amount  
15 contributed by the taxpayer 2016 taxable year to the College Access  
16 Tax Credit Fund, as allocated and certified by the Treasurer.

17(2) Contributions shall be made only in cash.

18(b) (1) The aggregate amount of credit that may be allocated  
19 and certified pursuant to this section and Section 23686 shall not  
20 exceed five hundred million dollars (\$500,000,000) for the 2014  
21 calendar year and five hundred million dollars (\$500,000,000) for  
22 each calendar year thereafter.

23(2) (A) For purposes of this section, the Treasurer shall do all  
24 of the following:

25(i) On or after January 1, 2014, and before January 1, 2017,  
26 allocate and certify tax credits to taxpayers under this section.

27(ii) Establish a procedure for taxpayers to contribute to the  
28 College Access Tax Credit Fund and to obtain from the Treasurer  
29 a certification for the credit allowed by this section.

30(iii) On or after January 1, 2014, and before January 1, 2016,  
31 notify the taxpayer within seven days of receipt of a contribution  
32 of the contribution amount that is eligible for a credit. If the  
33 allocation and certification would be limited or denied because  
34 the five hundred million dollar (\$500,000,000) cap set forth in  
35 paragraph (1) of subdivision (b) has been reached, the Treasurer  
36 shall offer the taxpayer a choice between either the return of the  
37 contribution or the receipt of the certification for the next taxable  
38 year.

39(iv) On or after January 1, 2016, and before January 1, 2017,  
40 notify the taxpayer within seven days of receipt of a contribution,  
P3 1 the contribution amount that is eligible for a credit. If the allocation  
2 and certification would be limited or denied because the five  
3 hundred million dollar (\$500,000,000) cap set forth in paragraph  
4(1) of subdivision (b) has been reached, the Treasurer shall offer  
5 the taxpayer the option of a return of all of the contribution or the  
6 portion of the contribution that would be limited, as applicable.

7(v) Provide to the Franchise Tax Board a copy of each credit  
8 certificate issued for the calendar year by March 1 of the calendar  
9 year immediately following the year in which those certificates  
10 are issued.

11(c) (1) In the case where the credit allowed by this section  
12 exceeds the "net tax," the excess may be carried over to reduce  
13 the "net tax" in the following year, and succeeding five years if  
14 necessary, until the credit is exhausted.

15(2) A deduction shall not be allowed under this part for amounts  
16 taken into account under this section in calculating the credit  
17 allowed by this section.

18(d) (1) The College Access Tax Credit Fund is hereby created  
19 as a special fund in the State Treasury. All revenue in this special  
20 fund, upon appropriation by the Legislature, shall be allocated to

21the Student Aid Commission for purposes of awarding Cal Grants  
22to students pursuant to Section 69432.75 of the Education Code.

23(2) The tax credit allowed by subdivision (a) of this section and  
24subdivisions (a) of Section 23686 for donations to the College  
25Access Tax Credit Fund shall be known as the College Access  
26Tax Credit.

27(e) This section shall remain in effect only until December 1,  
282017, and as of that date is repealed.

29

## SEC. 2.

Section 23686 is added to the *Revenue and Taxation*  
30*Code*, to read:

31

### 23686.

(a) (1) For each taxable year beginning on or after  
32January 1, 2014, and before January 1, 2017, there shall be allowed  
33a credit against the "tax," as defined in Section 23036, an amount  
34equal to the following:

35(A) For taxable years on and after January 1, 2014, and before  
36January 1, 2015, 60 percent of the amount contributed by the  
37taxpayer during the 2013 taxable year to the College Access Tax  
38Credit Fund, as allocated and certified by the Treasurer.

39(B) For taxable years on and after January 1, 2015, and before  
40January 1, 2016, 55 percent of the amount contributed by the  
P4 1taxpayer during the 2014 taxable year to the College Access Tax  
2Credit Fund, as allocated and certified by the Treasurer.

3(C) For taxable years on and after January 1, 2016, and before  
4January 1, 2017, 50 percent of the amount contributed by the  
5taxpayer during the 2015 taxable year to the College Access Tax  
6Credit Fund, as allocated and certified by the Treasurer.

7(2) Contributions shall be made only in cash.

8(b) (1) The aggregate amount of credit that may be allocated  
9and certified pursuant to this section and Section 17053.86 shall  
10not exceed five hundred million dollars (\$500,000,000) for the  
112014 calendar year and five hundred million dollars (\$500,000,000)  
12for each calendar year thereafter.

13(2) (A) For purposes of this section, the Treasurer shall do all  
14of the following:

15(i) On or after January 1, 2014, and before January 1, 2015,  
16allocate and certify tax credits to taxpayers under this section.

17(ii) Establish a procedure for taxpayers to contribute to the  
18College Access Tax Credit Fund and to obtain from the Treasurer  
19a certification for the credit allowed by this section.

20(iii) On or after January 1, 2015, and before January 1, 2016,  
21notify the taxpayer within seven days of receipt of a contribution  
22of the contribution amount that is eligible for a credit. If the  
23allocation and certification would be limited or denied because  
24the five hundred million dollar (\$500,000,000) cap set forth in  
25paragraph (1) of subdivision (b) has been reached, the Treasurer  
26shall offer the taxpayer a choice between either the return of the

27contribution or the receipt of the certification for the next taxable  
28year.

29(iv) On or after January 1, 2016, and before January 1, 2017,  
30notify the taxpayer within seven days of receipt of a contribution,  
31the contribution amount that is eligible for a credit. If the allocation  
32and certification would be limited or denied because the five  
33hundred million dollar (\$500,000,000) cap set forth in paragraph  
34(1) of subdivision (b) has been reached, the Treasurer shall offer  
35the taxpayer the option of a return of all of the contribution or the  
36portion of the contribution that would be limited, as applicable.

37(v) Provide to the Franchise Tax Board a copy of each credit  
38certificate issued for the calendar year by March 1 of the calendar  
39year immediately following the year in which those certificates  
40are issued.

P5 1(c) (1) In the case where the credit allowed by this section  
2exceeds the "tax," the excess may be carried over to reduce the  
3"tax" in the following year, and succeeding five years if necessary,  
4until the credit is exhausted.

5(2) A deduction shall not be allowed under this part for amounts  
6taken into account under this section in calculating the credit  
7allowed by this section.

8(d) This section shall remain in effect only until December 1,  
92017, and as of that date is repealed.

10

### SEC. 3.

This act provides for a tax levy within the meaning of  
11Article IV of the Constitution and shall go into immediate effect.