

CALIFORNIA UNIVERSAL CHARITABLE CREDIT

SB XXX, as amended, XXXXXX. Income taxes: credits: qualified charitable organizations.

The Personal Income Tax Law allows various credits against the taxes imposed.

This bill, under the Personal Income Tax Law for taxable years beginning on or after January 1, 2018, would establish the California Universal Charitable Credit to allow a credit equal to the amount contributed by the taxpayer for the taxable year to a qualified charitable organization, resulting in significant financial and civic benefits for our state.

This bill would require the Franchise Tax Board to compile a list of qualifying charitable organizations, and create forms for taxpayers to obtain the credit for contributions to qualifying charitable organizations.

This bill would take effect immediately as a tax levy.

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

1 SECTION 1. Section 17053.88.7 is added to the Revenue and Taxation Code, to read:

2 17053.88.7 (a) (1) For taxable years beginning on or after January 1, 2018, there
3 shall be allowed as a credit against the “net tax,” as defined by Section 17039, an amount
4 equal to the amount donated by the taxpayer during the taxable year to a qualified
5 charitable organization, subject to paragraph (2).

6 (2) In the case of a single individual, a head of household, or a married individual making a
7 separate return, a credit allowed under this section shall not exceed five hundred dollars
8 (\$500). In the case of a surviving spouse, as defined in Section 17046, or a married couple

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1 making a joint return, a credit allowed under this section shall not exceed five hundred
2 dollars (\$500).

3 (b) "Qualified charitable organization" means a charitable organization that is exempt from
4 federal income taxation under [section 501\(c\)\(3\) of the internal revenue code](#), incorporated
5 in the State of California, in good standing with the California Franchise Tax Board, and not
6 under suspension per [section 501\(p\) of the internal revenue code](#), or revocation per the
7 [Internal Revenue Bulletin](#) at the time of the contribution.

8 (c) (1) Taxpayers taking a credit authorized by this section for monetary contributions to a
9 qualified charitable organization shall provide the name of the qualified charitable
10 organization and the amount of the contribution to the Franchise Tax Board on forms
11 provided by the Franchise Tax Board.

12 (2) Taxpayers choosing to make voluntary cash contributions through an umbrella
13 charitable organization that collects donations on behalf of member charities shall
14 designate that the donations be directed only to member charitable organizations that
15 would qualify under this section on a stand-alone basis.

16 (3) The Franchise Tax Board shall compile and make available to the public a list of
17 qualified charitable organizations as defined by this section.

18 (d) A deduction shall not be allowed under this part for amounts taken into account under
19 this section in calculating the credit allowed by this section.

20 (e) In the case where the credit allowed by this section exceeds the "net tax," the excess
21 may be carried over to reduce the "net tax" in the following year, and succeeding five years
22 if necessary, until the credit is exhausted.

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1 (f) The tax credit allowed by subdivision (a) for donations to a qualified charitable
2 organization shall be known as the California Universal Charitable Credit.

3 (g) Section 41 shall not apply to the credit allowed by this section.

4 SEC. 2. This act provides for a tax levy within the meaning of Article IV of the California
5 Constitution and shall go into immediate effect.

6 END

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