

AMENDED IN ASSEMBLY APRIL 6, 2017

AMENDED IN ASSEMBLY APRIL 3, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 1356

Introduced by Assembly Member ~~Eggman~~ Members *Eggman, Bonta, and Weber*

(Coauthors: Assembly Members *Frazier, Cristina Garcia, Eduardo Garcia, and Nazarian Jones-Sawyer, Nazarian, Quirk, and Mark Stone*)

(Coauthor: Senator Dodd)

February 17, 2017

An act to add Part 71 (commencing with Section 102000) to Division 14 of Title 3 of the Education Code, and to add Section 17043.5 to the Revenue and Taxation Code, relating to *higher* education, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1356, as amended, Eggman. Higher Education Assistance Fund: personal income taxes: additional tax.

The Personal Income Tax Law imposes taxes based upon taxable income at specified rates.

This bill would, for taxable years beginning on or after January 1, 2018, 2019, impose an additional tax of 1% on income that exceeds \$1,000,000, as provided. The bill would deposit the revenues derived from this tax into the Higher Education Assistance Fund, a continuously appropriated fund established by this bill, for the purposes of funding student financial assistance for tuition and fees required of specified students enrolled at the University of California, the California State

University, and ~~California community colleges: the California Community Colleges.~~

This bill would become operative only if ACA _____ 13 of the 2016–17 2017–18 Regular Session is approved by the voters: voters and becomes operative.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Part 71 (commencing with Section 102000) is
2 added to Division 14 of Title 3 of the Education Code, to read:

3

4 PART 71. HIGHER EDUCATION ASSISTANCE FUND

5

6 102000. (a) The Higher Education Assistance Fund is hereby
7 created in the State Treasury to receive all revenues, net of refunds,
8 derived from the tax imposed under Section 17043.5 of the
9 Revenue and Taxation Code. Notwithstanding Section 13340 of
10 the Government Code, moneys in the fund are hereby continuously
11 appropriated to the Controller without regard to fiscal years for
12 allocation for the funding of student financial assistance for tuition
13 and fees required of in-state, undergraduate students enrolled at
14 the University of California, the California State University, and
15 ~~California community colleges: the California Community~~
16 ~~Colleges.~~

17 (b) Nothing in the establishment of this fund shall be construed
18 to modify the obligation of schools and universities to provide
19 student financial assistance.

20 (c) Nothing in this ~~act~~ section shall be construed to modify or
21 reduce the existing authority or responsibility of the California
22 Community Colleges Chancellor's Office or the Student Aid
23 Commission.

24 (d) The funding established pursuant to this ~~act~~ section shall be
25 utilized to expand student financial assistance. These funds shall
26 not be used to supplant existing state or federal funds utilized to
27 provide student financial assistance.

28 SEC. 2. Section 17043.5 is added to the Revenue and Taxation
29 Code, to read:

1 17043.5. (a) For each taxable year beginning on or after
2 January 1, ~~2018~~, 2019, in addition to any other taxes imposed by
3 this part, a tax shall be imposed at the rate of 1 percent on that
4 portion of a taxpayer's taxable income in excess of one million
5 dollars (\$1,000,000).

6 (b) For purposes of applying Part 10.2 (commencing with
7 Section 18401) of Division 2, the tax imposed under this section
8 shall be treated as if imposed under Section 17041.

9 (c) The following shall not apply to the tax imposed by this
10 section:

11 (1) The provisions of Section 17039, relating to the allowance
12 of credits.

13 (2) The provisions of Section 17041, relating to filing status
14 and recomputation of the income tax brackets.

15 (3) The provisions of Section 17045, relating to joint returns.

16 SEC. 3. The provisions of this act shall only become operative
17 if Assembly Constitutional Amendment 13 of the ~~2016-17~~
18 ~~2017-18~~ Regular Session is approved by the ~~voters~~. *voters and*
19 *becomes operative.*