

Department of Finance		Fund: 0027
STATE OF CALIFORNIA MANUAL OF STATE FUNDS		PAGE 1 Renumbered From:
<u>Legal Title</u> Tax Relief and Refund Account		
<u>Legal Citation/Authority</u> Chapter 61, Statutes of 1978 (SB 1038) Section 3 Revenue and Taxation Code section 19611 (a)		
<u>Fund Classification</u> <u>GAAP Basis</u> Governmental/General Fund	<u>Fund Classification</u> <u>Legal Basis</u> Governmental/General Fund Special Accounts	
<u>Purpose</u> This fund is used for payments to taxpayers for Renters' Tax Relief, and refunds for overpayments of the Personal Income Tax and Disability Insurance Tax.		
<u>Administering Agency/Organization Code</u> Franchise Tax Board/Org 7730		
<u>Major Revenue Source</u> Appropriations from the General Fund for the amount of Renters' Tax Relief. Transfers from the Personal Income Tax Fund for refunds attributable to the Personal Income Tax. Transfers from the Unemployment Compensation Disability Fund for the amount of refunds claimed for overpayments of the Disability Insurance Tax.		
<u>Disposition of Fund (upon abolishment)</u> Pursuant to Government Code section 16346, absent language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.		
<u>Appropriation Authority</u> Moneys in this fund are continuously appropriated to the Franchise Tax Board for the purpose of making payments and refunds to taxpayers.		
<u>State Appropriations Limit</u> Always Excluded - Revenues in this fund are not proceeds of taxes because the major revenue source is derived from reimbursements.		
<u>Comments/ Historical Information</u> Chapter 61, Statutes of 1978: <ul style="list-style-type: none"> • Created this fund under Revenue and Taxation Code (RTC) section 24372, initially for the purpose of increasing the state's Federal Revenue Sharing entitlement. This was accomplished by charging to this account the funding for payments to taxpayers or other persons that otherwise would have been made from the Personal Income Tax Fund. • Provides that all refunds and credits, which were previously made or offset against the Personal Income Tax, are paid out of this account in the General Fund. The account is reimbursed from: (1) the General Fund for Renters' Tax Relief refunds, (2) the Unemployment Compensation 		

Disability Fund for overpayments of the disability insurance tax, and (3) the Personal Income Tax Fund for income tax refunds.

Chapter 142, Statutes of 1983 added RTC section 19356 with the same fund creation language as RTC section 24372.

Chapter 472, Statutes of 1991 repealed RTC section 24372 effective October 2, 1991.

Chapter 232, Statutes of 1991 amended RTC section 19356 which continued the existence of this fund.

Chapter 31, Statutes of 1993 repealed RTC section 19356 and added RTC section 19611.

Pursuant to the Governor's Reorganization Plan 2, the Administering Agency's Organization Code changed from Org 1730 to Org 7730, effective July 1, 2013.

August 2015 revision changed the legal basis classification from Governmental/Feeder Funds to the current classification.