

Department of Finance		Fund: 0091
STATE OF CALIFORNIA MANUAL OF STATE FUNDS		PAGE 1 Renumbered From:
<u>Legal Title</u> Personal Income Tax Fund		
<u>Legal Citation/Authority</u> Chapter 329, Statutes of 1935 Revenue and Taxation Code sections 17001-19607 Unemployment Insurance Code sections 1585 and 1585.5		
<u>Fund Classification</u> <u>GAAP Basis</u> Governmental/General Fund	<u>Fund Classification</u> <u>Legal Basis</u> Governmental/Feeder Funds	
<u>Purpose</u> The state's income tax laws generally parallel the federal income tax laws with certain exceptions. Income taxes apply to the entire taxable income of every resident of this state and upon the taxable income of nonresidents in accordance with the tax rates prescribed by law. Chapter 1, Statutes of 1971, First Extraordinary Session, enacted withholding of the Personal Income Tax and provided for taxpayers to make quarterly estimates and payments for income not subject to withholding. The Employment Development Department collects from employers the tax withheld and deposits these moneys in the Personal Income Tax Fund. Penalties and fines for failure to comply with this provision of the law are deposited in the Department of Employment Development Contingent Fund and transferred to the Personal Income Tax Fund on a quarterly basis.		
<u>Administering Agency/Organization Code</u> The Franchise Tax Board/Org 7730 administers the collection of the Personal Income Tax with the assistance of the Employment Development Department/ Org 7100		
<u>Major Revenue Source</u> Personal income tax.		
<u>Disposition of Fund (upon abolishment)</u> Refunds of overpayments. Transfer of remainder to General Fund.		
<u>Appropriation Authority</u> Revenue and Taxation Code section 19603 states money in the fund, upon order of the Controller, be drawn therefrom for the purpose of making refunds or for transfer to the General Fund (Section 3 of Chapter 61, Statutes of 1978 created the Tax Relief and Refund Account in the General Fund for the purpose of making refunds which otherwise would have been made from the Personal Income Tax Fund and provides for the transfer of amounts to be refunded to the Tax Relief and Refund Account).		

State Appropriations Limit

Always Excluded - The major revenue source will be transferred to another fund and will be counted in an included fund, the General Fund (0001), and should not be double counted; as well as, this fund is derived from a Feeder Fund.

Comments/Historical Information

Chapter 329, Statutes of 1935 enacted the Personal Income Tax Act and created the Personal Income Tax Fund as the depository for proceeds of revenue collected under the Act.

Chapter 659, Statutes of 1943 revised the Act and included the Personal Income Tax Law in the Revenue and Taxation Code, continuing the fund in existence under Section 19352.

Chapter 31, Statutes of 1993 repealed Section 19352 and continued the fund in Section 19602 of the Revenue and Taxation Code.

The Employment Development Department's organization code was renumbered from 5100 to 7100.

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