
CONSENT

Bill No: SB 1073
Author: Smallwood-Cuevas (D), et al.
Amended: 3/19/26
Vote: 21

SENATE REVENUE AND TAXATION COMMITTEE: 5-0, 3/25/26
AYES: McNerney, Alvarado-Gil, Ashby, Becker, Grayson

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SUBJECT: Income taxes: voluntary contributions: Black Cultural District
Voluntary Tax Contribution Fund

SOURCE: California Arts Advocates

DIGEST: This bill establishes the Black Cultural District Voluntary Tax Contribution Fund and authorizes a taxpayer to make a voluntary contribution to the fund on their state personal income tax return for tax years 2026 through 2032.

ANALYSIS:

Existing law:

- 1) Allows taxpayers to contribute money from their own resources in excess of the amount they owe in taxes to Voluntary Contribution Funds (VCF) by checking a box on their state Personal Income Tax (PIT) return.
- 2) Establishes 18 VCFs on the PIT Return.
- 3) Generally requires the Franchise Tax Board (FTB) to remove a VCF due to a sunset provision or if the VCF fails to meet the statutory minimum contribution amount.
- 4) Generally requires FTB to annually determine whether estimated contributions to each VCF will exceed \$250,000 to remain on the PIT form.

- 5) Provides that after a taxpayer contributes to a VCF, the FTB deposits all contributions, minus its administration costs, into a fund named for the VCF.
- 6) Requires that VCFs meet certain best practices:
 - a) Include “voluntary tax contribution” in the fund name;
 - b) Requires the administering agency’s internet website to report specific data related to the usage of the amounts received from a VCF;
 - c) Be repealed following January 1 of the seventh calendar year following the first appearance of the contribution on the tax return and be repealed as of December 1 of that year.
- 7) Establishes the California Arts Council as the state’s only public arts grants provider for the support of local arts infrastructure. (SB 1024, Zenovich, Chapter 1192, Statutes of 1975).
- 8) Tasks the Arts Council with establishing criteria and guidelines for state-designated cultural districts, which are geographical areas certified by the Arts Council with a concentration of cultural facilities, creative enterprises, or arts venues (AB 189, Bloom, Chapter 396, Statutes of 2015.)
- 9) Designates 24 cultural districts, including the Historic South Los Angeles Black Cultural District.

This bill:

- 1) Establishes Black Cultural District Voluntary Tax Contribution Fund.
- 2) Authorizes a taxpayer to make a voluntary contribution to the fund on their state PIT return from tax year 2026 to 2032, if the fund meets the minimum contribution amount of \$250,000 annually.
- 3) Provides that if the amount of contributions for that calendar year is not at least equal to the minimum contribution amount, the VCF shall become inoperative on January 1 of that calendar year and be repealed on December 1 of that year.
- 4) Directs that contributions to this fund be allocated to Arts Council to construct and maintain the Black Cultural District designated in the South City of Los Angeles for the following.
 - a) Celebrate the diversity of California while unifying under an umbrella of shared values;

- b) Help to grow and sustain authentic grassroots arts and cultural opportunities;
 - c) Increase the visibility of local artists;
 - d) Increase community participation in local arts and culture; and
 - e) Promote socioeconomic and ethnic diversity.
- 5) Directs the Arts Council to post on its website information regarding usage the allocated funds.

Background

Historic South Los Angeles Black Cultural District. In 2017, the Art Council designated 14 original cultural districts, and in 2026, the designated 10 new districts, including the Historic South Los Angeles Black Cultural District. The formal recognition of the Historic South Los Angeles Black Cultural District is a vital step toward recognizing South L.A.'s deep and enduring cultural contributions, addressing historic inequities, and ensuring Black cultural treasures are protected and celebrated. South L.A. has a historically high rate of Black residency and is home to the highest concentration of Black cultural assets in California, including museums, local businesses, restaurants, and entertainment venues.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: No

SUPPORT: (Verified 4/13/2026)

California Arts Advocates (Source)
Councilmember Curren D. Price, Jr., 9th District, City of Los Angeles
Greater Los Angeles African American Chamber of Commerce
LA Commons
Partnership for Growth LA
Rising Communities (formerly Community Health Councils)

OPPOSITION: (Verified 4/13/2026)

None received

ARGUMENTS IN SUPPORT: According to the author, "SB 1073 establishes the Black Cultural District Voluntary Contribution Fund, providing California taxpayers with a voluntary opportunity to invest directly in the preservation and long-term sustainability of the Historic South Los Angeles Black Cultural District.

Since this is one of the first Black Cultural Districts to be designated in California, it plays a vital role in safeguarding California's cultural heritage, supporting small businesses, and addressing the long-term impacts of displacement against the Black community. However, like many cultural districts, it faces chronic funding challenges that threaten its ability to thrive and remain accessible to the communities it serves. SB 1073 offers a meaningful solution by allowing Californians to make voluntary contributions through their personal income tax returns, in partnership with the California Arts Council, to directly support the Black Cultural District. The bill does not raise taxes or impose new mandates. Instead, it empowers individuals who wish to support Black history and culture with a clear, voluntary way to do so. By enabling public participation, SB 1073 helps ensure that the Historic South Los Angeles Black Cultural District can endure and be preserved for future generations.”

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