Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 1073 (Smallwood-Cuevas) – As Amended June 11, 2026

Policy Committee:	Revenue and Taxation	Vote:	7 - 0
	Arts, Entertainment, Sports, and Tourism		9 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes the Black Cultural District Voluntary Tax Contribution Fund (Fund) on the Personal Income Tax (PIT) return.

Specifically, this bill:

1) Requires the Franchise Tax Board (FTB) to revise the PIT return form to designate a space for the Fund and allows, for taxable years beginning January 1, 2026, and before January 1, 2033, a taxpayer to donate a portion of their PIT refund to the Fund.

2) Establishes the Fund in the State Treasury, requires the FTB to notify the State Controller (SCO) of the amount of refund money designated by taxpayers for the Fund, and requires the SCO to transfer this designated amount from the PIT Fund to the Fund.

3) Provides a continuous appropriation from the Fund to the FTB and the SCO for reimbursement of related administrative costs, with remaining revenues allocated to the Arts Council (CAC) for allocation for the construction and maintenance of the Black Cultural District designated in south City of Los Angeles to support certain purposes, such as to celebrate the diversity of California and grow and sustain arts and cultural opportunities.

4) Prohibits the CAC from using more than 5% of the allocation for administrative purposes.

5) Requires the CAC to report on its website certain Fund expenditure details.

6) Requires the FTB to annually estimate whether the Fund will receive the minimum contribution amount ($250,000) to remain on the PIT return in the next taxable year.

FISCAL EFFECT:

1) Beginning fiscal year 2027-28, annual General Fund (GF) revenue loss of approximately $6,000. FTB generally assumes $6,000 in GF revenue loss for every $250,000 in Fund contributions.

2) Minor and absorbable costs to the FTB and the SCO to administer another voluntary contribution fund (VCF) program, likely offset by Fund contributions.

3) Costs of approximately $189,000 ongoing to the CAC for one staff position to provide oversight of Fund money allocated for specified purposes and report related data on the

CAC's website (GF). The CAC notes it cannot absorb the workload necessary to implement this bill with existing staff, even though CAC may use up to 5% of Fund contributions received for administrative purposes.

COMMENTS:

1) **Purpose.** According to the author:

> SB 1073 establishes the [Fund], providing California taxpayers with a voluntary opportunity to invest directly in the preservation and long-term sustainability of the Historical South Los Angeles Black Cultural Distrct.
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> 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.

This bill is sponsored by California Arts Advocates and also supported by the California Preservation Foundation and community groups.

2) **Background.** ***Cultural Districts.*** Cultural districts are well-recognized, labeled areas of a city in which a high concentration of cultural facilities and programs serve as the main anchor of attraction and creative business development. AB 189 (Bloom), Chapter 396, Statutes of 2015, required the CAC to establish criteria and guidelines for State-Designated Cultural Districts (SDCDs). In 2017, the CAC announced the inaugural designation of 14 SDCDs, a list that has since grown to 24 SDCDs, including designation of the Historic South Los Angeles Black Cultural District in December 2025.

VCFs. Existing law allows a taxpayer to donate an amount in excess of their PIT liability to one or more VCFs listed on the PIT return. There were 18 VCFs listed on the 2025 return. Generally, a VCF remains on the PIT return until a statutory sunset date, but if the FTB determines the VCF fails to meet a $250,000 minimum contribution amount, the VCF is statutorily repealed and the FTB removes the VCF from the return. This bill creates a new VCF to support further construction and maintenance of the Historic South Los Angeles Black Cultural District.

3) **Related Legislation.** SB 575 (Laird) establishes the California Sea Otter Voluntary Tax Contribution Fund on the PIT return. SB 575 is pending on the Assembly Floor.

SB 881 (McNerney) extends the sunset dates for the Emergency Food for Families VCF and the Donated Fresh Fruits and Vegetables tax credit. SB 881 is pending hearing by this committee.

AB 611 (Lee) was recently amended to strike the bill's previous contents and instead add the California Spinal Cord Injury Research VCF on the PIT return. AB 611 is pending hearing by the Senate Appropriations Committee.

AB 703 (Lee), Chapter 63, Statutes of 2025, added the California Pediatric Cancer Research VCF to the PIT return.

AB 829 (Sharp-Collins), Chapter 99, Statutes of 2025, added the Parkinson's Disease Research VCF on the PIT return.

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