

UNFINISHED BUSINESS

Bill No: SB 1073
Author: Smallwood-Cuevas (D), et al.
Amended: 6/11/26
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

SENATE FLOOR: 38-0, 4/16/26 (Consent)
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Menjivar, Seyarto

ASSEMBLY FLOOR: 78-0, 8/20/26 - See last page for vote

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 taxable years 2026 through 2032.

Assembly Amendments (1) clarify that taxpayers are authorized to make voluntary donations to the fund on an original return during taxable years 2026-2032; (2) limit the amount that the California Arts Council (CAC) can use for administrative purposes to 5% of the fund's moneys; (3) rephrase the repeal date to explicitly refer to January 1, 2034; and (4) make other technical and conforming changes.

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 CAC 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 CAC with establishing criteria and guidelines for state-designated cultural districts, which are geographical areas certified by the CAC 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 the Black Cultural District Voluntary Tax Contribution Fund.
- 2) Authorizes a taxpayer to make a voluntary contribution to the fund on their originally filed state PIT return for tax years 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 the CAC to construct and maintain the Black Cultural District designated in the South City of Los Angeles for the following purposes:
 - 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 CAC to post on its website information regarding the usage of the allocated funds.
- 6) Limits to 5% of the fund's money the amount CAC can use for administrative purposes.
- 7) Repeals its provisions as of January 1, 2034.

Background

Historic South Los Angeles Black Cultural District. In 2017, the CAC designated 14 original cultural districts, and in 2026, it 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.

Related legislation

SB 881 (McNerney, 2026), which, among other provisions, extends the January 1, 2026, repeal date for the Emergency Food for Families Voluntary Tax Contribution Fund to January 1, 2037.

SB 575 (Laird, 2026), which reestablishes the California Sea Otter 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 2033.

AB 611 (Lee, 2025) establishes the California Spinal Cord Injury Research Voluntary Tax Contribution Fund and authorizes a taxpayer to make a voluntary contribution to the fund on their state personal income tax return from tax year 2027 to 2033.

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

According to the Assembly Appropriations Committee:

- 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.
- Minor and absorbable costs to the FTB and the State Controller's Office to administer another VCF program, likely offset by Fund contributions.
- 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.

SUPPORT: (Verified 8/20/26)

California Arts Advocates (Sponsor)

Councilmember Curren D. Price, Jr., 9th District, City of Los Angeles

Black Women Organized for Political Action

California Preservation Foundation

Greater Los Angeles African American Chamber of Commerce

Greater Sacramento Urban League

LA Commons

Partnership for Growth LA
Rising Communities (formerly Community Health Councils)
UC Berkeley's Underground Scholars Initiative

OPPOSITION: (Verified 8/20/26)

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.”

ASSEMBLY FLOOR: 78-0, 8/20/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Chen

Prepared by: Haley Summers / REV. & TAX. / (916) 651-4117
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