

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: SR&T Committee Analyst: LuAnna Hass Bill Number: SB 1185

Related Bills: See Prior Analysis Telephone: 845-7478 Amended Date: APTBA

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Change B&CT Law to Corp. Tax Law/Elec. Postmarks/MIC Recapture Exception/RAR Refund Statute/Expand Voluntary Disclosure Program To Trusts

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended July 3, 2001.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO _____.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED July 3, 2001, STILL APPLIES.
- OTHER - See comments below.

SUMMARY

This Franchise Tax Board (FTB) sponsored bill would:

- rename the "Bank and Corporation Tax Law" as the "Corporation Tax Law,"
- make California law substantially the same as the federal law that permits electronic postmarks to be proof of the date an e-file return is filed,
- add multi-jurisdictional trusts as participants in the FTB voluntary disclosure program,
- allow FTB to initiate action on taxpayer accounts that are overpaid,
- specify that taxpayers making the federal election to treat a stock purchase as an asset purchase would not trigger a recapture of the Manufacturers' Investment Credit, and
- delete an obsolete term from the income tax laws.

SUMMARY OF AMENDMENT

The proposed amendments removed the bill's provisions that related to amending the definition of "qualified employee" for specified economic development areas and clarifying the vouchering requirements. In addition, the proposed amendments resolved the department's technical considerations by accepting the amendments suggested in the department's analysis of the bill as amended July 3, 2001. The remainder of the department's analysis as of July 3, 2001, still applies.

Board Position:

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 N OUA PENDING

Legislative Director

Date

Brian Putler

08/17/01

POSITION

Support.

The Franchise Tax Board voted at its December 18, 2000, meeting to sponsor the language introduced in this legislation.

LEGISLATIVE STAFF CONTACT

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