

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: August 22, 2001

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 introduced/amended _____.

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 APTBA, 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.

This bill also would make changes to provisions of the Revenue and Taxation Code (R&TC) relating to programs that are administered by the Board of Equalization.

SUMMARY OF AMENDMENT

The August 22, 2001, amendments would change "income year" to "taxable year" within an existing provision of the R&TC. The amendments also would make changes to sections of the R&TC regarding programs that are administered by the Board of Equalization (BOE). These changes do not affect the department and are not discussed in this analysis. The remainder of the department's analysis of the bill as proposed to be amended, still applies.

Board Position:

<input checked="" type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input type="checkbox"/> PENDING

Legislative Director

Date

Brian Putler

08/29/01

POSITION

Support.

The Franchise Tax Board voted at its December 18, 2000, meeting to sponsor the provisions of this bill related to state income and bank and corporation taxes. The Board has not taken a position on the other provisions of this bill relating to programs administered by BOE.

Summary of Suggested Amendments

An amendment is provided to address the department's technical concern.

TECHNICAL CONSIDERATIONS

This bill would rename the federal Job Training Partnership Act (JTPA) as the federal Workforce Investment Act of 1998 within one provision of the R&TC relating to Economic Development Areas (EDAs). Since the R&TC contains several provisions relating to EDAs that reference the JTPA, Amendments 1 and 2 would reverse the title change suggested in this bill in order to maintain consistency within the R&TC.

LEGISLATIVE STAFF CONTACT

LuAnna Hass
Franchise Tax Board
845-7478

Brian Putler
Franchise Tax Board
845-6333

Analyst	LuAnna Hass
Telephone #	845-7478
Attorney	Patrick Kusiak

FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO SB 1185
As Amended August 22, 2001

AMENDMENT 1

On page 72, strikeout lines 13 and 14, and insert:

Job Training Partnership Act (29 U.S.C. Sec. 1501 et seq.), or its successor.

AMENDMENT 2

On page 75, line 6, strikeout "Workforce Investment Act" and insert:

Job Training Partnership Act