

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 31, 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 amended August 22, 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 August 22, 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.

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.

Board Position:

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Legislative Director

Date

Brian Putler

09/19/01

SUMMARY OF AMENDMENT

The August 31, 2002, amendments resolved the department's technical consideration discussed in the department's analysis of the bill as amended August 22, 2001. Specifically, the amendment would change the name of the federal Workforce Investment Act of 1998 to the federal Job Training Partnership Act, or its successor. The remainder of the department's analysis of the bill as amended August 22, 2001, still applies.

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.

LEGISLATIVE STAFF CONTACT

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