

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Chavez Analyst: Jeff Garnier Bill Number: AB 1338

Related Bills: See Prior Analysis Telephone: 845-5322 Amended Date: August 17, 2004

Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Withholding on California Real Estate/ Sale of Personal Residence Withholding

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended July 2, 2004.
- 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 2, 2004 STILL APPLIES.
- OTHER - See comments below.

## SUMMARY

This bill would:

- Revise the withholding provisions affecting certain corporations to match that of individuals.
- Provide alternatives for how the real estate escrow person (REEP) submits withheld funds to the department.
- Clarify that persons transferring real property in foreclosure or in lieu of foreclosure would not be subject to withholding.
- Authorize the department to prescribe forms and instructions for the efficient administration of the withholding law, including de minimus thresholds.

## SUMMARY OF AMENDMENTS

The August 17, 2004 amendments resolved the department's technical and implementation concerns regarding the effective date of the bill and reinserted the term "real estate escrow person" that was inadvertently removed from existing law by June 26, 2003, amendments.

The remainder of the analysis for the bill as amended July 2, 2004, still applies

Board Position:	Legislative Director	Date
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<input type="checkbox"/> SA <input type="checkbox"/> O <input type="checkbox"/> NAR	Brian Putler	8/25/04
<input type="checkbox"/> N <input type="checkbox"/> OUA <input type="checkbox"/> PENDING		

**EFFECTIVE/OPERATIVE DATE**

This bill would be effective on January 1, 2005, operative for dispositions of California real property interests occurring on or after January 1, 2005, and to installment payments received on or after January 1, 2004, for sales occurring on or after January 1, 2003.

**POSITION**

No position.

**LEGISLATIVE STAFF CONTACT**

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