

State of California

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Legislative Change No.**04-05**Bill Number: AB 1260Author: MatthewsChapter Number: 04-163Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 19720 and 19721Date Filed with the Secretary of the State: July 16, 2004

SUBJECT: Acts Involving Fraudulently Obtained Refunds

Assembly Bill 1260 (Matthews) made the following changes to California law:

Sections 19720 and 19721 of the Revenue and Taxation Code (R&TC) are amended.

This act makes it a crime under the R&TC to fraudulently procure a state-issued income tax refund in any form, including a direct deposit refund, resulting from filing a state income tax return.

By expanding the form of fraudulently obtained refunds that may be prosecuted as a violation of the R&TC, this act effectively expands existing provisions to allow the department to recover investigative costs for fraudulent direct deposit refunds as well as other forms of fraudulent refunds.

This act is effective January 1, 2005, and applies to acts relating to fraudulently obtained refunds issued on or after that date.

This act will not require any reports by the department to the Legislature.

Bureau Director

Date