

**NO ANALYSIS REQUIRED**

Franchise Tax Board

Author: Ridley-Thomas, et al. Analyst: Rachel Coco Bill Number: AB 168

Related Bills: See Prior Analysis Telephone: 845-4328 Amended Date: June 27, 2005

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

**SUBJECT:** California Tax Expenditure Accountability Act/Tax Expenditure Reports

ANALYSIS NOT REQUIRED of this bill – Not within scope of responsibility of this department.

TECHNICAL BILL – No program or fiscal changes to existing program.

BILL AS AMENDED NO LONGER WITHIN SCOPE of responsibility or program of the department.

TECHNICAL AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is \_\_\_\_\_.

MINOR AMENDMENT – No change in previously submitted analysis required. Approved position of prior analysis is Support.

MINOR AMENDMENT – No change in approved position of \_\_\_\_\_.  
See Comments below

OTHER – See comments below.

**COMMENTS:**

This bill would require several state agencies to provide reports on tax expenditures.

The June 27, 2005, amendments would require the Franchise Tax Board (FTB) and the Board of Equalization (BOE) to provide tax expenditure reports to the Department of Finance (DOF) on expenditures with a revenue loss in excess of \$25 million, instead of \$10 million. The amendments would remove an annual reporting requirement and instead would require that DOF provide its expenditure report to the Legislature beginning in 2007 and continuing each odd-numbered year thereafter. Further, the amendments would remove the requirement that the Senate and Assembly Revenue and Taxation Committees designate which tax expenditures are to be included in DOF's report. The amendments would instead require that DOF's report contain two to 10 expenditures to be selected in a manner that ensures all of the expenditures will be included in the report at least once every eight years.

These amendments would not impact the department's programs or operations. The analysis of the bill as amended May 26, 2005, still applies.

Board Position:

S       NA       NP  
 SA       O       NAR  
 N       OUA       PENDING

Franchise Tax Board Staff

Date

Rachel Coco

6/28/05