

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Koretz, et al. Analyst: Deborah Barrett Bill Number: AB 875  
Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: 06/16 & 28/2005  
Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** FTB to Assist in Developing Standards for Recommendations by Labor Commissioner That Would Trigger Audits of Employers Violating Tax or Labor Laws

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended May 10, 2005.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENTS 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 INTRODUCED FEBRUARY 18, 2005, STILL APPLIES.
- OTHER – See comments below.

## SUMMARY

This bill would require the Franchise Tax Board (FTB) to assist in the development of criteria to prompt recommendations by the Labor Commissioner for audits or investigations by state tax agencies of employers for violating tax or labor laws.

## SUMMARY OF AMENDMENTS

The June 16, 2005, amendments eliminated the requirement for state tax agencies to provide information on employers that meet developed criteria for referrals to the Labor Commissioner for investigation purposes. These amendments resolved the implementation concerns identified in the previous analysis of this bill as amended May 10, 2005.

The June 28, 2005, amendments removed the participation of the Economic and Employment Enforcement Coalition in the provisions of this bill and replaced it with the Labor and Workforce Development Agency. The remainder of the department's analysis of this bill as introduced on February 18, 2005, is still applicable.

## POSITION

Pending

## LEGISLATIVE STAFF CONTACT

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Board Position:

S                       NA                       NP  
 SA                       O                       NAR  
 N                       OUA                       PENDING

Legislative Director

Date

Brian Putler

07/25/2005