

SUMMARY ANALYSIS OF AMENDED BILL

Author: Escutia Analyst: Rachel Coco Bill Number: SB 17
 Related Bills: See Prior Analysis Telephone: 845-4328 Amended Date: April 19, 2005
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: FTB Report Names and Addresses of Entities to BOE/Property Tax Question on Tax Form

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.
- 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 December 6, 2004, STILL APPLIES.
- OTHER – See comments below.

SUMMARY

This bill would require the Franchise Tax Board (FTB) to report to the Board of Equalization (BOE) the name and address of an entity that fails to respond to the real property change of ownership question on its income or franchise tax return.

This bill makes numerous other changes to property tax law. This analysis will only discuss the bill to the extent it impacts FTB.

SUMMARY OF AMENDMENTS

The April 19, 2005, amendments would require FTB to include the real property change of ownership question on all tax forms used by partnerships, banks, and corporations. The amendments also would change the current real property change of ownership question to include entities that own or lease real property in the state.

As a result of the amendments, the "This Bill" portion as discussed in the prior analysis has been revised. The remainder of the analysis of the bill as introduced December 6, 2005, still applies.

Board Position:	Department Director	Date
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	Brian Putler	4/25/05

POSITION

Pending.

THIS BILL

This bill would require FTB to include the real property change of ownership question on all tax forms used by partnerships, banks, and corporations.

This bill would modify the current change of ownership question to include entities that own or lease real property in California.

The change of ownership question as proposed by this bill would read:

If the corporation (or partnership or limited liability company) owns or leases real property in California, has cumulatively more than 50 percent of the voting stock (or more than 50 percent of total interest in both partnership or limited liability company capital and partnership or limited liability company profits) (1) been transferred by the corporation (or partnership or limited liability company) since March 1, 1975, or (2) been acquired by another legal entity or person during the year?

Currently FTB reports the names and addresses of entities that respond affirmatively to the change of ownership question to BOE. This bill would require FTB to also report the names and addresses of those entities that fail to respond.

LEGISLATIVE STAFF CONTACT

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