

SUMMARY ANALYSIS OF AMENDED BILL

Author: Leno Analyst: Deborah Barrett Bill Number: AB 1590
 Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: June 1, 2007
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Local Vehicle License Fee Deduction/FTB Report To Controller & San Francisco City & County Auditor Amount Of Revenue Loss & Costs Incurred By FTB

- 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 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 April 18, 2007, STILL APPLIES.
- OTHER – See comments below.

SUMMARY

This bill would require the Franchise Tax Board (FTB) to report to the Department of Motor Vehicles (DMV) the estimated revenue loss as a result of deductions taken by residents of the City and County of San Francisco (County) for a local assessment.

This bill also contains provisions for the imposition of a voter approved local assessment, which do not impact FTB and are not discussed in this analysis.

SUMMARY OF AMENDMENTS

The June 1, 2007, amendments would remove requirements for DMV to provide detailed information of residents of the County that paid the voter approved local assessment and would limit the information to an aggregate total of the assessments paid. The June 1, 2007, amendments also removed provisions to reimburse FTB for costs to develop an estimate of the revenue loss to the state as a result of the additional deductions taken on County resident returns. The "This Bill" and "Fiscal Impact" discussions have been revised to reflect these amendments. The remainder of the department's analysis of the bill as amended April 11, 2007, still applies.

Board Position:	Legislative Director	Date
<input type="checkbox"/> S	Brian Putler	6/19/07
<input type="checkbox"/> SA		
<input type="checkbox"/> N		
<input type="checkbox"/> NA		
<input type="checkbox"/> O		
<input type="checkbox"/> OUA		
<input type="checkbox"/> NP		
<input type="checkbox"/> NAR		
<input checked="" type="checkbox"/> PENDING		

POSITION

Pending

THIS BILL

This bill would allow the County, upon voter approval, to impose a voter approved local assessment (assessment) on residents of the County. It would allow the County to contract with the DMV for the administration and collection of the assessment. This bill would require the contract between the County and the DMV to specify that the County is required to pay for the initial setup and programming costs identified by the DMV. The bill also requires the DMV to transmit an amount equal to the revenue loss to the state from the assessments collected for deposit into the General Fund.

This bill would require DMV, on a quarterly basis, to provide FTB with the aggregate total amount of local assessments paid by residents of the County. This bill would require that on or before January 1 of the second year after the tax is imposed, FTB must report to DMV an estimate of the revenue loss to the state for the prior year resulting from deductions taken under the Personal Income Tax Law and the Corporation Tax Law for taxes paid or incurred as a result of the assessment.

FISCAL IMPACT

The bill would require FTB to provide an estimate of the revenue loss attributable to deduction taken by residents of the County for payment of the local assessment. The department's costs are expected to be minor.

LEGISLATIVE STAFF CONTACT

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