

# SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Committee on

Author: Revenue & Taxation

Analyst: Deborah Barrett

Bill Number: AB 1747

Related Bills: See Prior Analysis

Telephone: 845-4301

Amended Date: July 2, 2007

Attorney: Tommy Leung Sponsor: \_\_\_\_\_

**SUBJECT:** Check Cashier Reporting Requirements Not Applicable to Incidental Cashiers/Use of Last Known Address/TBOR Change Due Date Of Report To Legislature

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 INTRODUCED April 25, 2007, STILL APPLIES.

OTHER – See comments below.

## SUMMARY

This bill would make three changes to the Revenue and Taxation Code:

- Revise check cashier reporting requirements to not apply to incidental cashiers, as defined and exclude government and payroll checks from reporting requirements;
- Define the term "last known address" for legal notices; and
- Change the date that the annual Taxpayers' Bill of Rights Report is due to the Legislature.

The provisions that would define the term "last known address" and would change the due date of the annual Taxpayers' Bill of Rights Report are Franchise Tax Board sponsored provisions.

## SUMMARY OF AMENDMENTS

The July 2, 2007, amendments clarify that for purposes of the check cashier reporting requirement, payroll checks and government checks are excluded, but for purposes of identifying an incidental check cashier, all check cashing activity would be included. The July 2, 2007, amendments only impact the check cashier provisions of the bill. As a result, the "This Bill" discussion related to check cashing has been revised. The remainder of the department's analysis of the bill as amended April 25, 2007, still applies.

Board Position:

\_\_\_\_\_ S                      \_\_\_\_\_ NA                      \_\_\_\_\_ NP  
\_\_\_\_\_ SA                      \_\_\_\_\_ O                      \_\_\_\_\_ NAR  
\_\_\_\_\_ N                      \_\_\_\_\_ OUA                       PENDING

Legislative Director

Date

Brian Putler

7/6/07

## **POSITION**

Pending.

## **THIS BILL**

This bill would exclude any person identified as a check casher under the Civil Code, whose check cashing business is incidental to their principal business, from the information return reporting requirements in current law. Incidental would be defined to mean not more than 10% of the business' revenues are derived from check cashing activities, including payroll or government checks.

This bill would exclude payroll checks and government checks from the list of transactions required to be reported. Government checks would be defined as checks issued by a federal, state, or local entity. Payroll checks would be defined as checks subject to withholding under the Unemployment Insurance Code and subject to certain fee restrictions under the Civil Code.

## **LEGISLATIVE STAFF CONTACT**

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