

**SUMMARY ANALYSIS OF AMENDED BILL**

Author: Leno Analyst: Nicole Kwon Bill Number: AB 2879  
 Related Bills: See Prior Analysis Telephone: 845-7800 Amended Date: March 24, 2008  
 Attorney: Patrick Kusiak Sponsor: \_\_\_\_\_

**SUBJECT:** Labor And Workforce Development Agency In Consultation With FTB And The Economic And Employment Enforcement Coalition Shall Develop And Implement Standards That Would Trigger Recommendation For Audit Or Investigation

\_\_\_\_ 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 February 22, 2008, STILL APPLIES.

OTHER – See comments below.

**SUMMARY**

This bill would require the Franchise Tax Board (FTB) to consult in the development of criteria to prompt referrals between state tax agencies and the Labor and Workforce Development Agency for audit or investigation.

**SUMMARY OF AMENDMENTS**

The March 24, 2008, amendments replaced the “Joint Enforcement Strike Force on the Underground Economy” with the “Economic and Employment Enforcement Coalition” and revised the legislative findings. As a result of the amendments, the “This Bill” discussion has been revised and is provided below.

The March 24, 2008, amendments would not impact the state income tax revenue. The Economic Impact from the previous analysis is included below for convenience. The remainder of the department’s analysis of the bill as introduced February 22, 2008, continues to apply.

Board Position:	Legislative Director	Date
<input type="checkbox"/> S <input type="checkbox"/> NA <input type="checkbox"/> NP <input type="checkbox"/> SA <input type="checkbox"/> O <input type="checkbox"/> NAR <input type="checkbox"/> N <input type="checkbox"/> OUA <input checked="" type="checkbox"/> PENDING	Brian Putler	5/2/08

## **POSITION**

Pending.

## **THIS BILL**

This bill would require FTB to consult with the Labor and Workforce Development Agency and the Economic and Employment Enforcement Coalition to develop and implement a set of standards that would trigger a recommendation for an audit by appropriate state tax authorities of employers that violate statutes relating to employee wages, hours, and working conditions by July 1, 2009. The standards would include the severity and number of violations committed by the employer.

## **ECONOMIC IMPACT**

The revenue impact of this bill is dependent on whether the information provided to FTB would be new information not currently available via other sources.

To the extent FTB receives new information, there would likely be an unknown increase in revenue. If this program produces information already available to FTB but in a timelier fashion, there could be an unknown acceleration of revenue, that would otherwise be collected under current law.

## **LEGISLATIVE STAFF CONTACT**

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