

# BILL ANALYSIS

Analyst: William Koch  
Work Phone: 845-4372

Department, Board, Or Commission	Author	Bill Number
<b>Franchise Tax Board</b>	<b>Oropeza</b>	<b>SB 1641</b>

## SUBJECT

Franchise Tax Board (FTB) Reporting Requirements-FTB May Submit Reports To The Legislature In Electronic Format Including Submission Of Link To Public Web Site Where Report Can Be Downloaded & Report Shall Be Posted To Public Website For 3 Years & Retained In Permanent Records

## SUMMARY

This bill would allow reports to be submitted to the Legislature in electronic format and require FTB to post reports on its public Web Site for three years and thereafter retain such reports permanently.

This analysis addresses only the provisions of the bill that impact FTB.

## PURPOSE OF BILL

According to the author's office, the purpose of this bill is to reduce the amount of state resources used to print and mail certain reports by allowing the reports to be submitted to the Legislature electronically.

## EFFECTIVE/OPERATIVE DATE

This bill would be effective and operative on January 1, 2009.

## ANALYSIS

### STATE LAW

Under current state law, FTB is required to make available or submit to the Legislature annually the following three reports:

- Summary of Federal Income Tax Changes (submitted to the Legislature)
- Annual Taxpayers' Bill of Rights (submitted to the Legislature)
- Enterprise Zones (made available to the Legislature)

The provisions that require these reports to be submitted do not prescribe a method of distribution to the Legislature.

Currently, FTB sends copies of the Summary of Federal Income Tax Changes report electronically to several offices within the Legislature. The report is also posted to the department's public Web site. This report is typically several hundred pages long.

Brian Putler, FTB Contact Person (916) 845-6333 (Office)	Executive Officer Selvi Stanislaus	Date 8/15/08
-------------------------------------------------------------	---------------------------------------	-----------------

### THIS BILL

This bill would allow FTB to send any required report, including the Summary of Federal Income Tax Changes report, the Annual Taxpayers' Bill of Rights report, and the Enterprise Zones report, to the Legislature in electronic format instead of printing and mailing paper copies of the reports. Electronic format would include sending the Legislature a link to the department's public Web site where the reports could be downloaded.

In addition, this bill would require FTB to post, on the department's public Web site, any report submitted by FTB to the Legislature in electronic format for a period of three years following the due date of the report. Thereafter, FTB would be required to retain a copy of the report, in electronic format, in the department's permanent records.

### **LEGISLATIVE HISTORY**

AB 219 (Nakanishi, 2005/2006) would have established procedures for state agencies to submit mandated reports to the Legislature, the Governor or specified committees of the Legislature. This bill failed to pass out of the Senate Committee on Appropriations by the constitutional deadline.

AB 2482 (Campbell, 2003/2004) would have required state agencies to submit reports electronically and submit printed copies of the reports upon request. This bill failed passage from the Business & Professions Committee.

AB 2198 (Liu, 2003/2004) would have established procedures for state agencies to submit mandated reports. In addition, this bill would have required state agencies to have electronic versions of reports available for download. This bill failed to pass out of the house of origin by the constitutional deadline.

### **FISCAL IMPACT**

The cost savings are anticipated to be insignificant because the department presently sends reports to the Legislature electronically.

## **ECONOMIC IMPACT**

This bill would not impact state income tax revenues.

## **Appointments**

None.

## **Support/Opposition**

Support: none.

Opposition: none.

## **VOTES**

Assembly Floor – Ayes: 75, Noes: 0

Senate Floor – Ayes: 33, Noes: 0

Concurrence – Ayes: 39, Noes: 0

## **LEGISLATIVE STAFF CONTACT**

William Koch  
Franchise Tax Board  
(916) 845-4372  
[william.koch@ftb.ca.gov](mailto:william.koch@ftb.ca.gov)

Brian Putler  
Franchise Tax Board  
(916) 845-6333  
[brian.putler@ftb.ca.gov](mailto:brian.putler@ftb.ca.gov)