

State of California

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Revised Legislative Change No. 08-21

Bill Number: AB 1389 Author: Assembly Budget Comm. Chapter Number: 08-751

Laws Affecting Franchise Tax Board: Sections 18535, 18536, 19011.5, 19280, and 19290.1 of the Revenue and Taxation Code

Date Filed with the Secretary of State: September 30, 2008

SUBJECT: Modify Group Return Provisions/Mandatory E-Pay / COD Collection To Include Bail Amounts/DIR Refer Cal-OSHA Targeted Inspection Debts To FTB For Collection

SUMMARY OF REVISION

The legislative change notice is being revised to do the following:

- 1. Correct the summary of the group return filing provisions,**
- 2. Clarify the summary of the electronic payment provision, and**
- 3. Clarify the effective and operative date for each provision of this act.**

The remainder of the original legislative change notice still applies and is included below.

Assembly Bill 1389 (Assembly Budget Committee), as enacted on September 30, 2008, made the following changes to laws impacting the Franchise Tax Board (FTB):

Section 18535 of the Revenue and Taxation Code is amended.

This act modifies group return filing requirements to allow one or more nonresident partners/members/shareholders that have California taxable income in excess of \$1 million to elect to file a group return and clarifies that they would be subject to the additional one percent Mental Health tax on their entire California taxable income reflected on the group return.

As this act is an urgency statute, this provision of the act is effective immediately upon enactment and operative as of that date.

This provision of the act will not require any reports by the department to the Legislature.

Section 18536 of the Revenue and Taxation Code is amended.

This act modifies group return filing requirements to allow one or more nonresident directors that have California taxable income in excess of \$1 million to elect to file a group return and clarifies that they would be subject to the additional one percent Mental Health tax on their entire California taxable income reflected on the group return.

Assistant Bureau Director

Patrice Gau-Johnson

Date

12/29/08

As this act is an urgency statute, this provision of the act is effective immediately upon enactment and operative as of that date.

This provision of the act will not require any reports by the department to the Legislature.

Section 19011.5 of the Revenue and Taxation Code is added.

This act requires personal income taxpayers with estimated tax or extension payments that exceed \$20,000 for a taxable year beginning on or after January 1, 2009, or with tax liabilities of more than \$80,000 for a taxable year beginning on or after January 1, 2009, to remit all subsequent payments electronically.

As this act is an urgency statute, this provision of the act is effective immediately upon enactment and specifically operative for payments made on or after January 1, 2009.

This provision of the act will not require any reports by the department to the Legislature.

Section 19280 of the Revenue and Taxation Code is amended.

This act adds bail as a type of debt that could be referred by the Courts to FTB for collection.

As this act is an urgency statute, this provision of the act is effective immediately upon enactment and operative as of that date.

This provision of the act will not require any reports by the department to the Legislature.

Section 19290.1 of the Revenue and Taxation Code is added.

This act authorizes the Department of Industrial Relations (DIR) to refer assessments and penalties under the Cal-OSHA¹ Targeted Inspection Program to FTB for collection. As part of collecting these new debts, FTB is required to provide DIR with specified activity reports.

As this act is an urgency statute, this provision of the act is effective immediately upon enactment and operative as of that date.

This provision of the act will not require any reports by the department to the Legislature.

¹ California Division of Occupational Safety and Health.