

SUMMARY ANALYSIS OF AMENDED BILL

Author: Skinner Analyst: William Koch Bill Number: AB 1530
 Related Bills: See Prior Analysis Telephone: 845-4372 Amended Date: June 30, 2010
 Attorney: Patrick Kusiak Sponsor: Franchise Tax Board

SUBJECT: Collection Of Restitution Orders Awarded To The Franchise Tax Board In Criminal Proceedings

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended June 14, 2010.

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 AMENDED June 14, 2010, STILL APPLIES.

OTHER – See comments below.

SUMMARY

This bill would provide the Franchise Tax Board (FTB) express authority to collect orders of restitution awarded to the FTB in criminal proceedings in the same manner and with the same priority as tax liabilities.

SUMMARY OF AMENDMENTS

The June 30, 2010, amendments resolved the technical consideration identified in the department’s analysis of this bill as amended June 14, 2010, by striking unnecessary language from the bill.

Except for the “This Bill” section, the department’s analysis of this bill as amended June 14, 2010, still applies. The “Economic Impact” section is restated for convenience.

THIS BILL

This bill would provide express authority for the FTB to collect restitution orders or any other amounts awarded to the FTB by a court of competent jurisdiction (federal or state court) in criminal proceedings in the same manner and with the same priority as tax liabilities.

Board Position:	Legislative Director	Date
<input checked="" type="checkbox"/> S	Brian Putler	7/16/10
<input type="checkbox"/> NA		
<input type="checkbox"/> SA		
<input type="checkbox"/> N		
<input type="checkbox"/> NP		
<input type="checkbox"/> O		
<input type="checkbox"/> NAR		
<input type="checkbox"/> OUA		
<input type="checkbox"/> PENDING		

In addition, this bill would:

- Specify that voluntary payments made expressly for orders of restitution owed by a taxpayer must be applied as the taxpayer designates.
- Treat orders of restitution awarded to the FTB for criminal offenses as final and due and payable on the date the amount is established on the FTB's records.
- Specify that the provisions of the Personal Income Tax Law, the Administration of Franchise and Income Tax Law, the Taxpayer's Bill of Rights, and the Corporation Tax Law shall apply to amounts collected under this bill, except to the extent that any provision is inconsistent or not relevant to the provisions of this bill.
- Specify that no refund or credit may be allowed for amounts paid or payments applied under this bill.
- Specify that the amounts authorized to be collected pursuant to this bill shall accrue interest at the greater of the rate applicable to the restitution order or the rate applicable to tax debts under the Revenue and Taxation Code, from and after the date the amounts are established on the records of the FTB.
- Specify that the amounts authorized to be collected pursuant to this bill would not be subject to Section 19255 of the Revenue and Taxation Code, relating to the statute of limitations on collections.
- Specify that the FTB may record or extend a recorded Notice of State Tax Lien at any time until the amount due, including any accrued interest, has been paid in full.
- Allow the FTB to retain the amounts the restitution order includes for the costs of investigation incurred by the FTB.
- Apply to amounts authorized to be collected pursuant to this bill that are due and payable to the FTB before, on, or after January 1, 2011.

ECONOMIC IMPACT

Revenue Estimate

Estimated Revenue Impact of AB 1530 as Amended June 30, 2010 Enactment Assumed by September 30, 2010 Effective January 1, 2011 (\$ in Dollars)		
2009-10	2010-11	2011-12
+\$50,000	+\$100,000	+\$100,000

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