

SUMMARY ANALYSIS OF AMENDED BILL

Author: Beall Analyst: Janet Jennings Bill Number: AB 2177
 Related Bills: See Prior Analysis Telephone: 845-3495 Amended Date: April 14, 2010
 Attorney: Patrick Kusiak Sponsor: Franchise Tax Board

SUBJECT: Allow Electronic Communication To Taxpayers To Inform Of Tax Change Or Obligation

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/AMENDED _____ STILL APPLIES.
 OTHER – See comments below.

SUMMARY

This Franchise Tax Board-sponsored bill would authorize electronic communications between taxpayers or their representatives and the Franchise Tax Board (FTB).

SUMMARY OF AMENDMENTS

The April 14, 2010, amendments added language that would do the following:

- allow a taxpayer’s authorized representative to participate in the preferred electronic communication method,
- require that any electronic notification provided to a taxpayer include plain language advising the taxpayer that a failure to act may cause the taxpayer to forego procedural or administrative rights to challenge the proposed action,
- replace operative date language with a repeal date of January 1, 2018.

As a result of the amendments, the “Effective/Operative Date” and “This Bill” discussions as provided in the analysis of the bill as introduced February 18, 2010, have been revised. The remainder of that analysis still applies.

Board Position:	Legislative Director	Date
<input checked="" type="checkbox"/> S	Brian Putler	04/27/10
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POSITION

Support.

EFFECTIVE/OPERATIVE DATE

This bill would be effective and operative on January 1, 2011.

ANALYSIS

THIS BILL

This bill would authorize the FTB to draft regulations that would allow the department, upon request of the taxpayer or their authorized representative, to send an electronic notification, such as an email, stating that a notice, statement, bill, or other communication has been posted to or updated on the taxpayer's account. The notification would provide information guiding the taxpayer or authorized representative to log into the taxpayer's secure folder on the FTB internet Web site.

Prior to obtaining the consent of the taxpayer or their authorized representative's to participate in the alternative communication method, this bill would require the FTB to advise the taxpayer or authorized representative of the ramifications of electing to receive electronic notices.

This bill would further require that any communication sent to the taxpayer or authorized representative contain plain language stating that failure of the taxpayer or their authorized representative to act in response to the communication may cause the taxpayer to forego procedural or administrative rights to challenge the proposed action of the FTB.

Additionally, this bill would allow a taxpayer or authorized representative to file a protest, notification, or other communication to the FTB electronically in a secure manner.

Finally, this bill would direct the FTB in prescribing the necessary implementing regulations to ensure that procedural due process requirements are satisfied.

The bill, should it be enacted, would be repealed on January 1, 2018.

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