

SUMMARY ANALYSIS OF AMENDED BILL

Author: Calderon Analyst: Angela Raygoza Bill Number: AB 2230
 Related Bills: See Prior Analysis Telephone: 845-7814 Amended Date: April 27, 2010
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: FTB Make Available As Public Record And Post On Website List Of 100 Largest Publicly Traded Corporations

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 AMENDED
 April 5, 2010, STILL APPLIES.
 OTHER – See comments below.

SUMMARY

This bill would require the Franchise Tax Board (FTB) to post specified information on the 100 largest publicly traded corporations on the FTB’s public Web site.

SUMMARY OF AMENDMENTS

The April 27, 2010, amendments would do the following:

- Add language that would clarify that gross receipts includes only those from California sources,
- Define the aggregate amount of tax expenditures, and
- Make technical non-substantive changes.

As a result of the amendments, the “This Bill” discussion has been revised. Except for the revisions discussed above, the remainder of the analysis of the bill as amended April 5, 2010, still applies. The “Fiscal Impact” discussion has been repeated for convenience.

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	05/06/10

ANALYSIS

THIS BILL

This bill would require the FTB to post an annual list on the FTB's public Web site of the 100 largest publicly traded corporations, based on gross receipts from all sources derived from or attributable to this state, filing tax returns for a taxable year and with tax expenditures. The annual list would be required to be available to the public and posted to the Web site by March 31, 2011, commencing with tax returns filed for taxable years beginning on or after January 1, 2008.

This bill would require the annual list to include the following:

- Name of the corporation,
- California corporation number,
- Address of the principal office,
- Aggregate amount of tax expenditures, and
- Effective tax rate.

This bill would define the following:

- "Aggregate amount of tax expenditures" means the aggregate amount of tax expenditures claimed by the corporation on its tax return for the taxable year.
- "Effective tax rate" means an amount, expressed as a percentage, determined by dividing the amount of taxes paid by a taxpayer for a taxable year by an amount equal to the sum of the following:
 - Taxable income of the taxpayer for the taxable year,
 - Tax expenditures of the taxpayer that were deducted by the taxpayer in arriving at the taxable income of the taxpayer for the taxable year.

"Tax expenditure" means tax expenditures as detailed in the California Income Tax Expenditures, Compendium of Individual Provisions Report, compiled by the FTB.

FISCAL IMPACT

The department estimates it would incur one-time costs of \$70,000 (1/2 PY) for programming changes and testing and additional resources to determine the top 100 publicly traded corporations in California. On-going costs would be minimal to maintain and update the list.

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