

REVISED ANALYSIS

Author: Skinner Analyst: Janet Jennings Bill Number: AB 2666
 Related Bills: See Legislative History Telephone: 845-3495 Original Analysis Date: May 28, 2010
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Employer Tax Credits/Information Reporting/Failure To File Information Penalty/FTB
 Compile Information Received & Submit To State Chief Information Officer For
 Publication On The Reporting Transparency In Government Internet Web Site

- _____ REVENUE ESTIMATE CHANGED.
- _____ FURTHER CONCERNS IDENTIFIED.
- _____ REMAINDER OF PREVIOUS ANALYSIS OF BILL AS AMENDED
- X May 28, 2010, STILL APPLIES.
- X OTHER – See comments below.

SUMMARY OF BILL

This bill would require the Franchise Tax Board to annually compile tax expenditure information claimed on returns of publicly-traded companies and submit this information to the State Chief Information Officer.

SUMMARY OF REVISION

The fiscal impact for implementation of the bill as amended May 28, 2010, is being provided. The remainder of the previous analysis as amended May 28, 2010, remains the same.

POSITION

Pending.

Summary of Suggested Amendments

Amendment 1 is provided to suggest appropriation language to fund the department’s costs.

FISCAL IMPACT

For publicly-traded companies filing under the Personal Income Tax Law, costs to implement the PIT requirement are absorbable. For publicly-traded companies filing under the Corporation Tax Law staff estimates a one-time cost of approximately \$111,000 in fiscal year 2010/2011 to develop, program, and test system changes necessary to produce the report required by this bill, and ongoing costs of \$46,000.

Board Position:	Asst. Legislative Director	Date
_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	<u>X</u> PENDING
	Patrice Gau-Johnson	07/01/10

Due to the current fiscal environment and the need for increased resources necessary to implement other pending bills, implementation of this bill is contingent on funding. Accordingly, suggested language is provided in Amendment 1 to fund the department's implementation costs for this bill. If this bill is enacted without appropriation language, the department will pursue a budget augmentation ("legislative budget change proposal") through the normal budgetary processes, which could delay implementation of the bill's provisions to July 1, 2011. If approval of a legislative budget change proposal is denied, the department may be unable to implement the provisions of this bill.

LEGISLATIVE STAFF CONTACT

Legislative Analyst

Janet Jennings

(916) 845-3495

janet.jennings@ftb.ca.gov

Revenue Manager

Monica Trefz

(916) 845-4002

monica.trefz@ftb.ca.gov

Asst. Legislative Director

Patrice Gau-Johnson

(916) 845-5521

patrice.gau-johnson@ftb.ca.gov

Analyst	Janet Jennings
Telephone #	(916) 845-3495
Attorney	Pat Kusiak

FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO AB 2666
As Amended May 28, 2010

Amendment 1

On page 4, after line 12, insert:

Sec. 2. The sum of one hundred eleven thousand dollars (\$111,000) is hereby appropriated to the Franchise Tax Board in augmentation of its support budget.