

SUMMARY ANALYSIS OF AMENDED BILL

Author: Eng Analyst: Deborah Barrett Bill Number: AB 469
 Related Bills: See Prior Analysis Telephone: 845-4301 Amended Date: August 17, 2009
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: FTB Revise Income Tax Forms And Instructions To Enable A Person To Report & Pay Qualified Use Taxes

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
 July 15, 2009, STILL APPLIES.

OTHER – See comments below.

SUMMARY

This bill would replace the current option for a taxpayer to report use tax on the state income tax return with a requirement to report use tax.

This bill contains provisions related to Board of Equalization’s (BOE’s) administration of the sales and use tax laws that do not impact the department and are not discussed in this analysis.

SUMMARY OF AMENDMENTS

The August 17, 2009, amendments would base the use tax calculation for cumulative purchases under \$1,000 on the taxpayer’s adjusted gross income instead of his or her taxable income. The “This Bill” discussion is revised. The remainder of the department’s analysis of the bill as amended July 15, 2009, still applies.

POSITION

Pending.

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	8/21/09

THIS BILL

This bill would eliminate the election for a taxpayer to report and pay use tax on the state income or franchise tax return and would instead require anyone who must remit use tax and fails to do so, to report and remit the use tax on an acceptable state income tax return.

This bill would define “qualified use tax” to mean either of the following:

- The use tax imposed under the Bradley-Burns Uniform Local Sales and Use Tax Law or the Transactions and Use Tax Law that has not been paid to a retailer holding a seller’s permit or certificate of registration, or
- For one or more single nonbusiness purchases of individual items of tangible personal property of less than \$1,000, the estimated amount of use tax due based on the person’s California adjusted gross income as reflected in the use tax table shown in the accompanying forms and instructions of an acceptable return. If a taxpayer uses this table to calculate their use tax with respect to such purchases, BOE is precluded from making any determinations of understatements of qualified use tax against that person with respect to such purchases.

For purchases of \$1,000 or more, qualified use tax means the amount of use tax due in accordance with the Bradley-Burns Uniform Local Sales and Use Tax Laws or the Transaction and Use Tax Law.

The bill would provide that qualified use tax does not include use tax imposed on a purchase of cigarettes or tobacco products or both for which the purchaser is registered with the BOE as a cigarette consumer or tobacco products consumer or consumer or both.

This bill would also require Franchise Tax Board to make changes to its instruction booklets to enable a person to report and pay use tax in a form and manner approved by the BOE.

This bill would require any taxpayer required to report qualified use tax on the income tax return to affirmatively place a zero on the use tax line.

The bill’s provisions would be specifically operative for returns filed for taxable years beginning on or after January 1, 2010.

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