

State of California

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Legislative Change No.	10-12	
Bill Number: <u>AB 1530</u>	Author: <u>Skinner</u>	Chapter Number: 10-359
Laws Affecting Franchise Tax Board:	<u>Sections 19533 and 19722 of the Revenue and Taxation Code</u>	
Date Filed with the Secretary of State:	<u>September 27, 2010</u>	

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

Assembly Bill 1530 (Skinner), as enacted on September 27, 2010, made the following changes to laws impacting the FTB:

Section 19533 of the Revenue and Taxation Code is amended.

This provision provides that amounts authorized to be collected under Revenue and Taxation Code (R&TC) section 19722 (restitution orders awarded to the FTB in criminal proceedings) have the same collection priority as tax liabilities if the taxpayer has more than one type of debt being collected by the FTB.

This provision also provides that voluntary payments made expressly for amounts authorized to be collected under R&TC section 19722 must be applied as the taxpayer designates.

Section 19722 of the Revenue and Taxation Code is added.

This provision provides 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 as tax liabilities.

This provision also:

- Treats restitution orders 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.
- Specifies 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 apply to amounts collected under this act, except to the extent that any provision is inconsistent or not relevant to the provisions of this act.

Assistant Bureau Director
Patrice Gau-Johnson

Date
11/01/10

- Specifies that no refund or credit may be allowed for amounts paid or payments applied under this act.
- Specifies that restitution orders authorized to be collected pursuant to this act 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.
- Specifies that restitution orders authorized to be collected pursuant to this act would not be subject to Section 19255 of the Revenue and Taxation Code, relating to the statute of limitations on collections.
- Specifies that for restitutions orders authorized to be collected pursuant to this act the FTB may record or extend a recorded Notice of State Tax Lien at any time until the amount due, including any accrued interest, is paid in full.
- Allows the FTB to retain the amounts the restitution order includes for the costs of investigation incurred by the FTB.

This act is effective on January 1, 2011, and specifically operative for amounts authorized to be collected pursuant to this act that are due and payable to the FTB before, on, or after January 1, 2011.

This act will not require any reports by the department to the Legislature.