

SUMMARY ANALYSIS OF AMENDED BILL

Author: Skinner Analyst: William Koch Bill Number: AB 1307
 Related Bills: See Prior Analysis Telephone: 845-4372 Amended Date: July 1, 2011
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: BOE In Cooperation With FTB Implement Financial Institution Record Match System For Collection Of Taxes Or Fees

SUMMARY

This bill would, among other things, require the Board of Equalization (BOE) to operate and implement a Financial Institution Record Match system (FIRM) in cooperation with the Franchise Tax Board (FTB).

This analysis only addresses the above provision and reflects the bill as amended July 1, 2011.

RECOMMENDATION AND SUPPORTING ARGUMENTS

No position.

SUMMARY OF AMENDMENTS

The July 1, 2012, amendment would require BOE to consider an Offer in Compromise when determining whether to issue a seller’s permit. As a result of the amendments, the “This Bill” discussion as provided in the department’s analysis of the bill as amended June 21, 2011, has been revised. The remainder of that analysis still applies. The Implementation Considerations and Fiscal Impact remain and are included below for convenience.

ANALYSIS

THIS BILL

This bill would:

- Require the BOE to operate and implement a FIRM in cooperation with the FTB.
- Allow the FTB to disclose BOE’s delinquent tax debtor information to financial institutions or their authorized processing agents for the purpose of matching debtor records to accountholder records at the financial institution. Any other use of such data provided by the FTB would be a violation of existing disclosure law under Revenue and Taxation Code (R&TC) Section 19542.

Board Position:	Interim Legislative Director	Date
<input type="checkbox"/> S <input type="checkbox"/> NA <input checked="" type="checkbox"/> NP <input type="checkbox"/> SA <input type="checkbox"/> O <input type="checkbox"/> NAR <input type="checkbox"/> N <input type="checkbox"/> OUA	Anne Maitland	7/7/11

- Define “delinquent tax debtor” as any person liable for any tax, fee, or surcharge amounts, and any penalty, interest, or other amounts required to be paid to the BOE, where the liability remains unpaid after 30 days from demand for payment by the BOE, and the person is not making currently timely installment payments on the liability
- Consider an Offer in Compromise when issuing a seller’s permit.

IMPLEMENTATION CONSIDERATIONS

The department has identified the following implementation concern. Department staff is available to work with the author’s office to resolve this and other concerns that may be identified. This bill would require the BOE to operate and implement a FIRM as described in R&TC Section 19266 in cooperation with the FTB. If the author’s intent is for the BOE to participate in the existing FIRM program currently implemented and operated by the FTB, the bill should be amended to provide clarity on this issue.

FISCAL IMPACT

Assuming the author’s intent is for the BOE to participate in the FTB’s FIRM program that would require the FTB to combine the BOE’s debtor file with FTB’s FIRM debtor file and exchange such file and the resulting matched data file with the BOE. Reimbursement for providing services, as required in this bill, is normally provided to the FTB through an interagency contract. The bill should be amended to clarify that the BOE would reimburse the FTB for the actual costs for the BOE to participate in the FTB’s FIRM program.

LEGISLATIVE STAFF CONTACT

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