

SUMMARY ANALYSIS OF AMENDED BILL

Author: Skinner Analyst: William Koch Bill Number: AB 1307
 Related Bills: See Prior Analysis Telephone: 845-4372 Amended Date: August 15, 2011
 Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: BOE Participate In FTB's Financial Institution Record Match System For Collection Of Tax, Fee Or Surcharge Amounts Due The BOE

SUMMARY

This bill would, among other provisions that would not impact the Franchise Tax Board (FTB), require the Board of Equalization (BOE) to participate in the FTB's Financial Institution Record Match (FIRM) system.

This analysis only addresses the above provision of the bill.

RECOMMENDATION AND SUPPORTING ARGUMENTS

No position.

SUMMARY OF AMENDMENTS

The August 15, 2011, amendments resolved the department's implementation concerns with the bill by clarifying the BOE would participate in FTB's FIRM and by specifying the BOE would be required to reimburse the FTB for any costs incurred for facilitating the BOE's participation in FIRM. As a result of the amendments, the "This Bill" and "Fiscal Impact" sections of the department's analysis of the bill as amended July 1, 2011, have been revised. The Economic Impact" section has been restated for convenience.

ANALYSIS

THIS BILL

This bill would:

- Require the BOE to participate in the FTB's FIRM by submitting its tax debtor information to the FTB.
- Require the FTB to add BOE's tax debtor information to its tax debtor information for purposes of the FIRM data exchange.
- Require the BOE to reimburse the FTB for any costs incurred by the FTB for facilitating the BOE's participation in FIRM.

Board Position:	Interim Legislative Director	Date
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- 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.
- 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 current timely installment payments on the liability.

FISCAL IMPACT

FTB would enter into an interagency agreement with the BOE that would provide for reimbursement of FTB's actual costs incurred for providing the services required in this bill.

ECONOMIC IMPACT

Revenue Estimate

This bill would not impact the state's income tax revenue.

LEGISLATIVE STAFF CONTACT

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