

- Require the Controller to publish on its Internet Web site the payment information disclosed by corporations. The Controller would also be required to maintain a record, available to the public, of such information. If a payment amount is contested or otherwise under dispute by the corporation or the FTB, information regarding the dispute would also be included on the Controller's Internet Web site and records.

IMPLEMENTATION CONSIDERATIONS

The department has identified the following implementation concerns. Department staff is available to work with the author's office to resolve these and other concerns that may be identified.

1. This bill would require information about a payment amount contested or under dispute by the corporation or the FTB to be included on the Controller's Internet Web site and records. It is unclear if the author's intent is for the FTB to provide the Controller what would normally be confidential taxpayer information. If this is the author's intent, the bill should be amended to provide the FTB specific disclosure authorization.
2. "Payment amounts" are not typically contested; rather, usually it is the underlying tax liability that is disputed. In addition, it is unclear if the payment amount reported by the corporation is intended to be (1) net of any refunds issued by the FTB, and (2) only relating to payments applied to the previous taxable year, or the total payments made during the previous taxable year, without regard to which taxable year the payments were due. The author may wish to amend the bill to provide clarity on these issues.

TECHNICAL CONSIDERATIONS

Payments of tax are made pursuant to Part 10.2 of the Revenue and Taxation Code, not Part 11, which imposes the tax on corporations. As a result, the bill should be amended as follows:

1. On page 2, beginning on line 24 and continuing to line 25, strikeout "pursuant to" and insert:

"with respect to the tax imposed by"
2. On page 2, beginning on line 30 and continuing to line 31, strikeout "pursuant to" and insert:

"with respect to the tax imposed by"

FISCAL IMPACT

Department staff is unable to determine the costs to administer this bill until the implementation concerns identified above have been resolved.

ECONOMIC IMPACT

Revenue Estimate

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

SUPPORT/OPPOSITION

Support: None provided.

Opposition: None provided.

ARGUMENTS

Proponents: Some people could say this bill is necessary to increase transparency and to evaluate current corporate tax law.

Opponents: Some people could say this bill is unfair because it would make certain confidential tax information available to the public.

POLICY CONCERNS

California has tax system that primarily relies on the taxpayer to self-assess and pay the proper amount tax. If tax payment information is disclosed to public, it is unclear what impact, if any, there may be on the self-assessing tax system.

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