

BILL ANALYSIS

Department, Board, Or Commission	Author	Bill Number
Franchise Tax Board	Skinner	AB 2641

SUBJECT

State Agencies That Regulate Nonprofit Corporations Shall Provide Governor's Office Of Business & Economic Development Information About Its Requirements

SUMMARY

This bill would require state agencies to provide to the Governor's Office of Business and Economic Development (GOBIZ) direct links to the information regarding the requirements established by the state agencies that apply to nonprofit corporations for posting on its Internet Web site

REASON FOR THE BILL

The reason for the bill is to simplify the incorporation and renewal processes for nonprofits by providing a single government Internet Web site through the Governor's Office of Business and Economic Development.

EFFECTIVE/OPERATIVE DATE

This bill would be effective and operative on January 1, 2013.

ANALYSIS

STATE LAW

California Law

California law generally requires exempt organizations to file a two-page annual information return¹ and pay a ten-dollar filing fee unless their gross receipts for the taxable year are normally not more than \$25,000.

An exempt organization that is not required to file an annual information return by virtue of its gross receipts being under the \$25,000 filing threshold is instead generally required to electronically submit, at no cost, limited basic information on a *California e-Postcard*.²

¹ [Form 199, California Exempt Organization Annual Information Return](#).

² The California *e-Postcard* is FTB 199-N, Annual Electronic Filing Requirement for Small Tax-Exempt Organizations. Organizations eligible to file form FTB 199-N may choose to file a Form 199. And, an exempt organization that has unrelated business taxable income of more than \$1,000 for the year is generally required to file Form 199, regardless of the amount of its annual gross receipts.

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These requirements do not generally apply to churches, their integrated auxiliaries, conventions or associations of churches, the exclusive religious activity of any religious order, and certain governmental and political organizations.

The Governor's Office of Business and Economic Development, also known as "GO-Biz," was established in state government within the Governor's office. GO-Biz was created to serve as California's single point of contact for economic development and job creation efforts. GO-Biz offers a range of services to business owners including: attraction, retention and expansion services, site selection, permit streamlining, clearing of regulatory hurdles, small business assistance, international trade development, and assistance with state government.

The GO-BIZ Internet Web site currently provides the registration procedure for nonprofit corporations, with links to the California Corporation Code, the Internal Revenue Service, the Revenue and Taxation Code, the Franchise Tax Board (FTB), and the Secretary of State.

THIS BILL

This bill would require the FTB to provide the GO-Biz with direct links to accurate and updated information about its requirements, forms and documents for nonprofit corporations.

OTHER STATES' INFORMATION

Since this bill would require information reporting specific to economic development within California, a review of other states' income tax laws is not relevant.

FISCAL IMPACT

This bill would not significantly impact the department's costs.

ECONOMIC IMPACT

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

APPOINTMENTS

None.

SUPPORT/OPPOSITION³

Support: AFSCME.

Opposition: None provided.

³ According to the Author's Fact Sheet for SB 2641

VOTES

Concurrence	08/29/12	Y: 65	N: 13
Assembly Floor	05/30/12	Y: 51	N: 23
Senate Floor	08/28/12	Y: 35	N: 1

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