

SUMMARY ANALYSIS OF AMENDED BILL

Author: Lara Analyst: Janet Jennings Bill Number: SB 1159
 Related Bills: None Telephone: 845-3495 Amended Date: June 30, 2014
 Attorney: Bruce Langston Sponsor _____

SUBJECT:	Licensing Bodies Report to FTB Federal Tax Identification Numbers or Social Security Numbers of Applicants & Subject Licensees to Penalty for Failure to Provide Information
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SUMMARY

This bill would modify licensing requirements under the Business and Professions Code and the penalty for failing to meet those requirements under the Revenue and Taxation Code.

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

The June 30, 2014, amendments added the individual taxpayer identification number to the penalty provision. As a result of these amendments, the "This Bill" section has been revised and one of the implementation concerns as provided in the department's analysis of the bill as amended April 7, 2014, has been resolved. Additionally, the "Fiscal Impact" section has been updated. The remainder of the April 7, 2014, analysis still applies. The outstanding concerns and "Economic Impact" section have been restated below for convenience.

THIS BILL

This bill would require an applicant to provide the applicant's Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN), if one has been issued, on the application for an initial issue or renewal of a professional license.

The licensing board would be required to report to the Franchise Tax Board (FTB) the applicants that failed to provide the federal employer identification number, social security number, or individual taxpayer identification number, if one has been issued to the individual. Additionally, an applicant that fails to provide this information upon notice and demand by the FTB would be subject to a one hundred dollar penalty.

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.

Board Position:		Legislative Director	Date
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			07/22/14

Because the bill added the provision that an applicant would only need to provide a SSN or ITIN on an application “if one had been issued,” more applications could be submitted that lack a SSN or ITIN, which would result in the department having difficulty verifying income earned under the license or suspending a license for unpaid income taxes.

It is unclear that a licensing board would have access to the information needed to identify and report to the FTB the individuals that have been issued an ITIN or SSN and fail to provide that information on the license application.

FISCAL IMPACT

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

ECONOMIC IMPACT

This bill does not change the tax liability owed. However, it may make it more difficult to locate a small number of noncompliant taxpayers. This is expected to have a minimal revenue impact.

SUPPORT/OPPOSITION¹

Support: American Civil Liberties Union of California
California Immigrant Policy Center
California Pan-Ethnic Health Network
Mexican American Legal Defense and Educational Fund (MALDEF)
National Association of Social Workers – California Chapter
Pre-Health Dreamers
United Farm Workers

Opposition: None on file.

LEGISLATIVE STAFF CONTACT

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¹ According to the 06/23/14 Assembly Business, Professions And Consumer Protection Committee analysis