

BILL ANALYSIS

Department, Board, Or Commission Franchise Tax Board	Author Committee on Budget and Fiscal Review	Bill Number/Version Date SB 857
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SUBJECT

FTB & Public Health Department Exchange Taxpayer Information to Verify Financial Eligibility for HIV Treatment Service

SUMMARY

This bill would among other items, require the State Public Health Department (Public Health) and the Franchise Tax Board (FTB) to exchange specified data to verify adjusted gross income.

REASON FOR THE BILL

The reason for the bill is to allow the Public Health to verify eligibility of taxpayers to participate in the state HIV treatment program and federal Ryan White HIV/AIDS Treatment Extension Act of 2009.

EFFECTIVE/OPERATIVE DATE

As a budget trailer bill, this bill would be effective and operative upon enactment.

FEDERAL/STATE LAW

Existing federal and state law prohibits the disclosure of any taxpayer returns or return information, except as specifically authorized by the taxpayer or by statute. Generally, disclosure is authorized to other state tax agencies and federal tax agencies, for tax administration purposes only. Unauthorized disclosure of state tax returns and return information is a misdemeanor.

THIS BILL

This bill would require the FTB upon receipt of the name, and individual taxpayer identification number or social security number from the Public Health to inform the Public Health of the following information from the most recent taxable year, if available:

- the first and last name of the taxpayer,
- the taxpayer's date of birth,
- the individual taxpayer identification number or social security number of the taxpayer,
- the amount of federal adjusted gross income as reported by the taxpayer to the FTB, and
- the California adjusted gross income as reported by the taxpayer or as adjusted by the FTB.

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The bill would require the FTB staff and contractors to sign a confidentiality agreement before accessing records from the Public Health and annually thereafter.

The bill would also require, to the extent possible, that verification of financial eligibility would be done in a way to eliminate or minimize, by use of computer programs or other electronic means, access to confidential public health records by the FTB staff and contractors.

Information received from the Public Health would remain confidential public health records and would be returned or destroyed after completing the exchange of information.

LEGISLATIVE HISTORY

AB 2654 (Quirk-Silva, 2013/2014) would have allowed the FTB to disclose personal income tax return information to the Student Aid Commission upon taxpayer request. This bill failed to pass out of the Assembly by the constitutional deadline.

OTHER STATES' INFORMATION

Since this bill would only require a data exchange between state agencies, a comparison to other states tax laws would not be relevant.

FISCAL IMPACT

This bill would not impact the department's costs. Disclosure of tax information as provided for by law is covered through an interagency contract that covers the department's data security requirements and requires reimbursement for providing information.

ECONOMIC IMPACT

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

SUPPORT/OPPOSITION

Support: None on file.

Opposition: None on file.

VOTES

	Date	Yes	No
Concurrence	06/15/14	26	11
Assembly Floor	06/15/14	55	24
Senate Floor	04/10/14	22	12

LEGISLATIVE STAFF CONTACT

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