

# SUMMARY ANALYSIS OF AMENDED BILL

## Franchise Tax Board

Author: Leslie Analyst: Paul Brainin Bill Number: SB 1383

Related Bills: SB 134 (1997) Telephone: 845-3380 Amended Date: 08-17-98

Attorney: Doug Bramhall

Sponsor:

**SUBJECT:** FTB Tax Return Information/Unauthorized Disclosure Or  
Inspection/Misdemeanor

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended \_\_\_\_\_.

AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.

AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended January 6, 1998/April 20, 1998.

FURTHER AMENDMENTS NECESSARY.

DEPARTMENT POSITION CHANGED TO \_\_\_\_\_.

REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED January 6, 1998, STILL APPLIES.

OTHER - See comments below.

### SUMMARY OF BILL

This bill would amend the Administration of Franchise and Income Tax Law (AFITL) of the Revenue and Taxation Code regarding unwarranted disclosure or use of tax information to include willful unauthorized inspection as an act punishable as a misdemeanor. The Franchise Tax Board (FTB) also would be required to notify the taxpayer of any known act described above, but only if criminal charges have been filed.

This analysis will not address the bill's changes to the Revenue and Taxation Code (R&TC) administered by the State Board of Equalization or changes to the Unemployment Insurance Code.

### SUMMARY OF AMENDMENT

The August 17, 1998, amendments added the stipulation that taxpayers will be notified only if certain criminal charges have been filed.

With the exception of the addition above, the remainder of the department's analyses of the bill as introduced January 6, 1998, and amended April 20, 1998, still applies. The department's unresolved policy and implementation concerns are revised and reiterated for convenience.

### Board Position:

\_\_\_\_\_ S                      \_\_\_\_\_ NA                        X   NP  
\_\_\_\_\_ SA                      \_\_\_\_\_ O                      \_\_\_\_\_ NAR  
\_\_\_\_\_ N                      \_\_\_\_\_ OUA                      \_\_\_\_\_ PENDING

Department/Legislative Director

Date

Johnnie Lou Rosas

8/31/98

Policy Considerations

This bill would cause the department to notify a taxpayer of "any known incidents of willful unauthorized inspection or unwarranted disclosure or use of his or her confidential tax records, but only if criminal charges have been filed for the willful unauthorized inspection or unwarranted disclosure." This omits a requirement for taxpayer notification if criminal charges have been filed alleging unwarranted use of confidential tax records.

Implementation Considerations

This bill would make "any willful unauthorized inspection or unwarranted disclosure or use of confidential information" a misdemeanor. It is unclear whether the misdemeanor would apply to any use of confidential information, or only unwarranted use.