

State of California

Franchise Tax Board-Legislative Services Bureau
PO Box 1468
Sacramento, CA 95812-1468

Telephone: (916)845-4326
ATSS: 468-4326
FAX: (916)845-5472

Legislative Change No.**99-18**Bill Number: AB 189Author: AckermanChapter Number: 99-249

Laws Affecting Franchise Tax Board:

Section 23305.5 of the Revenue and Taxation CodeDate Filed with the Secretary of the State: August 30, 1999

SUBJECT: Clarify Authority To Suspend Disregarded Limited Liability Companies

Assembly Bill 189 (Ackerman), as enacted on August 30, 1999, made the following changes to California law:

This act removed the erroneous reference to a limited liability company (LLC) classified as a partnership in the definition of "tax" for purposes of suspending an LLC. Thus, this act clarifies that an LLC disregarded for tax purposes, but which still owes the tax and fee, is subject to suspension.

This act applies retroactively to taxable years beginning on or after January 1, 1997. The retroactive application corresponds to the effective date of prior legislation amending this section: SB 1234 (Ch. 608, Stats. 1997) and AB 1694 (Ch. 80, Stats. 1998).

This act will not require any reports by the department to the Legislature.

Bureau Director

Johnnie Lou Rosas

Date

11/02/1999