

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.**99-45**Bill Number: SB 284Author: KelleyChapter Number: 99-1000

Laws Affecting Franchise Tax Board:

Sections 1107.5, 1502, 1905, 2117, 2205, 5008.6, 6210, 8210, 16954, 16960, 17060, 17356, 17375, and 17654 of the Corporations Code

Date Filed with the Secretary of the State: October 10, 1999

SUBJECT: Secretary of State

Senate Bill 284 (Kelley), as enacted on October 10, 1999, made the following changes to California law:

Section 1107.5 of the Corporations Code is added.

This act provides that upon a corporate merger, the surviving domestic corporation shall assume and pay the liability of the disappearing corporation and file the required tax and information returns. In addition, this act requires, under certain circumstances, that the Secretary of State (SOS) file the merger without a certificate of satisfaction from the Franchise Tax Board (FTB); however, the SOS shall notify the FTB of the merger.

Section 1502 of the Corporations Code is amended.

This act requires that a statement of a domestic stock corporation be filed with the SOS biennially, rather than annually.

Section 1905 of the Corporations Code is amended.

This act adds "business entity" to the list of taxpayers, along with a person or corporation, which may assume the tax liability of a dissolving corporation.

Section 2117 of the Corporations Code is amended.

This act requires that a statement of a foreign corporation be filed with the SOS biennially, rather than annually.

Section 2205 of the Corporations Code is amended.

This act eliminated a reference in the Corporations Code to Revenue and Taxation Code (R&TC) Section 23305a which provides that the FTB receive a certificate of revivor endorsement from the SOS, before the FTB issues the certificate of revivor to the suspended corporation. This change to the Corporations Code applies only to suspensions made by the SOS, and still requires the SOS to certify to the FTB the fact of the corporation's suspension. However, the act eliminates the requirement that the FTB issue a certificate of revivor in the circumstances of a SOS suspension.

Bureau Director

Date

JohnnieLou Rosas

11/15/1999

Section 5008.6 of the Corporations Code is amended.

This act eliminated a reference in the Corporations Code to R&TC Section 23305a which provides that the FTB receive a certificate of revivor endorsement from the SOS, before the FTB issues the certificate of revivor to a suspended nonprofit corporation. This change to the Corporations Code applies only to suspensions made by the SOS, and still requires the SOS to certify to the FTB the fact of the nonprofit corporation's suspension. However, the act eliminates the requirement that the FTB issue a certificate of revivor in the circumstances of a SOS suspension.

Section 6210 of the Corporations Code is amended.

This act requires that a statement by a nonprofit public benefit corporation be filed with the SOS biennially, rather than annually.

Section 8210 of the Corporations Code is amended.

This act requires that a statement by a nonprofit mutual benefit corporation be filed with the SOS biennially, rather than annually.

Section 16954 of the Corporations Code is amended.

This act requires a registered limited liability partnership which is ceasing its existence to file a tax clearance certificate issued by the FTB with the notice filed with the SOS. This act also makes a technical correction to a cross-reference to the R&TC.

Section 16960 of the Corporations Code is amended.

This act requires a registered foreign limited liability partnership which is ceasing its existence to file a tax clearance certificate issued by the FTB with the notice filed with the SOS. This act also makes a technical correction to a cross-reference to the R&TC.

Section 17060 of the Corporations Code is amended.

This act requires that a statement by a domestic or foreign limited liability corporation (LLC) be filed with the SOS biennially, rather than annually.

Section 17356 of the Corporations Code is amended.

This act makes a grammatical change regarding the satisfaction of the tax liability of a dissolving LLC.

Section 17375 of the Corporations Code is added.

This act codifies an uncodified provision of the Beverly-Killea Limited Liability Company Act that provides that the law should not be construed to permit a LLC to render professional services.

Section 17654 of the Corporations Code is amended.

This act eliminated a reference in the Corporations Code to R&TC Section 23305a which provides that the FTB receive a certificate of revivor endorsement from the SOS, before the FTB issues the certificate of revivor to a suspended LLC. This change to the Corporations Code applies only to suspensions made by the SOS, and still requires the SOS to certify to the FTB the fact of the LLC's suspension. However, the act eliminates the requirement that the FTB issue a certificate of revivor in the circumstances of a SOS suspension.

This act is effective January 1, 2000.

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