

FRANCHISE TAX BOARD MEETING

September 9, 2021

The Franchise Tax Board virtually met in open and closed session at 1:30 p.m. at the Franchise Tax Board, 9646 Butterfield Way, in Sacramento, California. Present were Controller Betty T. Yee (via video conference), Deputy Controller Yvette Stowers (via video conference), Hon. Antonio Vazquez (via video conference), and Deputy Member Gayle Miller (via video conference), Department of Finance, for Member Bosler.

Franchise Tax Board Staff Participating:

Selvi Stanislaus, Jozel Brunett, Shane Hofeling, Cristina Rubalcava, Ellen Clemente, Christopher Hicks, Roman Johnston, Craig Scott, Ryan Muramoto, Erin Dendorfer, Matt Feaster, Manav Sushil, Jackie Zumaeta, Annette Kunze, Wendy Cramer, Leah Thyberg, Tom Lo Grossman, Thi Luong, Jeanne Harriman, Michael Banuelos, Bill Hilson

Others Participating:

Jason Fox, CalCPA

Item 1. – Approval of Minutes

The minutes of the June 3, 2021 Franchise Tax Board meeting were approved 3-0.

Item 2. – Diversity, Equity, and Inclusion Team and Resolution

The Board received a PowerPoint presentation on FTB's Diversity, Equity, and Inclusion Team and asked for Board approval for the Resolution. The Board approved the adoption of the Resolution by a 3-0 vote.

Item 3. – Tax Gap Update

The Board received a PowerPoint presentation on the Tax Gap Update.

Item 4. – COVID-19 State and Federal Tax Relief

The Board received a PowerPoint presentation on the COVID-19 State and Federal Tax Relief.

Item 5. – Mission and Values Team Update

The Board received a PowerPoint presentation on FTB's Mission and Values Team.

Item 6. – Legislative Update

The Board received a staff report regarding the Legislative Update.

Item 7. – Regulation Matters

The Board received a staff report on Regulation Section 18662-7 Domestic Pass-Through Domestic Withholding and Regulation Section 25136-2 Market Based Sourcing. The Board voted 3-0 to approve the staffs' recommendations to proceed with the formal regulatory processes.

Item 8. – Administrative Matters

- A. The Board received a staff report on the following 2022-23 Budget Change Proposals:
1. Enterprise Data to Revenue (EDR2) – Phase 2
 2. Accessibility Enhancements for Web and Form Products
 3. Identity Proofing and Online Fraud Detection
 4. FI\$Cal
 5. Political Reform Audit
 6. Section 41 Workload Expansion
 7. Network Infrastructure Refresh
 8. Enterprise Storage & Fiber Channel Switch Refresh
 9. Microsoft Licensing Agreement

The Board voted 2-0 to approve the Budget Change Proposals, noting Member Miller not participating.

- B. Contracts Over \$1 Million
1. Interagency Agreement with the California Department of Community Services and Development
 2. VMware Software License Agreement Renewal
 3. IBM Passport Advantage Software Renewal
 4. Cisco Maintenance Renewal

The Board voted 3-0 to approve contracts for the first three contracts The Board voted 2-0 to approve the Cisco Maintenance Renewal contract, noting Member Miller not participating.

Item 9. – Executive Officer's Time

Selvi Stanislaus thanked her FTB family for all their great work during this pandemic, to include the assisting in administering two multibillion-dollar economic relief programs during COVID-19 crisis, while fulfilling our usual responsibilities of tax administration and delivering financial assistance in the form of Golden Gate stimulus payments to millions of Californians in need. Ms. Stanislaus also thanked the tax representative community, the Legislature, the Governor's Office and all taxpayers for their receptivity. Ms. Stanislaus also touched on the wildfires that have spread throughout California and how FTB has implemented a 60-day suspension of bills and notices for the counties affected by our Governor-declared state of emergency spurred by the fires. She finished off her presentation with thanking the Board Members for their continued support, guidance and leadership.

Item 10. – Board Members' Time

Board Member Vazquez echoed Selvi in her kudos and is looking forward to in-person visits to the FTB's outreach mobile units. He expressed his desire to continue to reach out to low-income communities throughout the State of California to help with outreach efforts.

Controller Yee acknowledged how thankful she is to the staff team and the staff leads for enhancing our ability to carry out the mission and the important work of FTB. Controller Yee also acknowledged the receipt of written public comments from Ms. Christine Grab that were added to the record.

Item A. Closed Session

The Board Members went into Closed session to allow the Board to confer with and receive advice from legal counsel regarding pending litigation, within the meaning of Government Code section 11126, subdivision (e)(2), including *In re FTB LLC Tax Refund Cases Judicial Council Coordination Proceeding No 4742*, Court of Appeal First Appellate District, Case No. A140518; *San Francisco County Superior Court, Case No. CJC-12-004742* Closed session was authorized by Government Code section 11126, subdivision (e)(1).

After the conclusion of Closed Session, Controller Yee adjourned the meeting at 4:35 p.m.

Board Liaison

Date