

# FRANCHISE TAX BOARD MEETING

March 26, 2024

The Franchise Tax Board met in open session at 1:00 p.m. at the Franchise Tax Board, 9646 Butterfield Way, in Sacramento, California. Present were Controller Malia M. Cohen, Deputy State Controller Hasib Emran, Member Sally J. Lieber, and Deputy Member Erica Gonzales, Department of Finance, for Member Stephenshaw.

## **Franchise Tax Board Staff Participating:**

Selvi Stanislaus, Jozel Brunett, Shane Hofeling, Cristina Rubalcava, Kelly Heckman, Jose Orozco, Jennifer Roussel, Marion Hughes, Jason Hughes, David Hunter and Roger Lackey.

## **Other Participants:**

Teri Olle - Economic Security Project  
Vanessa Orozco - Golden State Opportunity  
Jafet Diego – United Ways of California  
Erin Hogeboon – San Diego for Every Child  
Bart Baer – California Taxpayers Association  
Sam Wilkinson - GRACE/End Child Poverty

## **Item 1. – Approval of Minutes**

The minutes of the December 6, 2023 Franchise Tax Board meeting were approved 3-0.

## **Item 2. – FTB's 2023 Accomplishments**

The Board received a presentation and watched a video detailing FTB's 2023 Accomplishments.

## **Item 3. – EDR2 Update**

The Board received a staff report on the Franchise Tax Board's EDR2 project.

## **Item 4. – Artificial Intelligence & FTB**

The Board received a staff report on Artificial Intelligence in general, and the Franchise Tax Board's use of Artificial Intelligence.

## **Item 5. – MDP Project: New Electronic Payment Options**

Board received a staff report on a project exploring new electronic payment options undertaken as part of the Franchise Tax Board's Management Development Program.

## **Item 6. - Executive Officer's Time**

Selvi extended a heartfelt welcome to our newest Board Member Sally Lieber and expressed her deepest gratitude to Gayle Miller for her service at the Department of Finance. She also congratulated Member Michele Perrault, who is taking over for Gayle Miller as the Chief Deputy Director of Finance and welcomed Erica Gonzales, representing Department of Finance, for joining the meeting.

Roger Lackey, Chief of the Franchise Tax Board's Filing Division, provided information regarding the Internal Revenue Service's Direct File Pilot Program and discussed the Franchise Tax Board's involvement with the program.

During this item, public comments were received by the following individuals:

Teri Olle, representing the Economic Security Project, commended the Franchise Tax Board for agreeing to be part of the Internal Revenue Service's Direct File pilot.

Vanessa Orozco, representing Golden State Opportunity, gave her full support of the Internal Revenue Service's Direct File and thanked the Franchise Tax Board for taking part in the pilot.

Jafet Diego, representing United Ways of California, thanked the Franchise Tax Board for agreeing to participate in the Internal Revenue Service's Direct File pilot.

Erin Hogeboon, representing San Diego for Every Child, commended the Franchise Tax Board for participating in the Internal Revenue Service's Direct File pilot. She also stated that she is in full support of the Direct File integration.

The Franchise Tax Board also received written public comments for this item from the following individuals:

Teri Olle, representing the Economic Security Project, submitted written comments in a letter, dated March 26, 2024, which commended the Franchise Tax Board's involvement in the Internal Revenue Services' Direct File pilot.

Sam Wilkinson, representing GRACE/End Child Poverty, submitted written comments via email on March 26, 2024. She applauded the Franchise Tax Board's accomplishments in 2023 with regards to the natural disasters. Ms. Wilkinson stated that GRACE/End Child Poverty is in support of maintained funding of Free Tax Preparation Assistance, Education and Outreach at \$20 million and a full Direct File integration for tax year 2025, should the pilot continue.

### **Item 7. – Board Members' Time**

Member Lieber thanked our Controller and other Board Members for welcoming her. She introduced her staff members, Doug Winslow and John Thiella. She also thanked the Franchise Tax Board's staff for the work they are doing to get resources out to our taxpayers.

Member Gonzales thanked everyone for having her at the meeting.

Controller Cohen touched on Women's History Month, Cesar Chavez Day and California's "Tax Day". She also thanked the Franchise Tax Board's staff for all their hard work.

During this item, public comments were received by the following individuals:

Bart Baer, representing California Taxpayers Association, provided comment regarding the Franchise Tax Board's staff involvement in the Multistate Tax Commission's project regarding model regulations for the trucking industry and cautioned against the Franchise Tax Board adopting the model regulations without going through the formal regulatory process.

Controller Cohen adjourned the meeting at 2:48 p.m.

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Board Liaison

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Date