The Franchise Tax Board met in open session at 1:30 p.m. at the Franchise Tax Board, 9646 Butterfield Way, in Sacramento, California. Present were Controller Malia M. Cohen, Deputy State Controller Hasib Emran, Deputy Member Antonio Vazquez, and Deputy Member Gayle Miller (via teleconference), Department of Finance, for Member Stephenshaw.

Franchise Tax Board Staff Participating:
Selvi Stanislaus, Jozel Brunett, Shane Hofeling, Cristina Rubalcava, David Vaca, Lauri Drennan, Angela Flores, Erin Carvel, L. Red Gobuty, Leah Thyberg, Denis Armstrong, Thi Luong, Jennifer Barton, Angela Jones.

Others Participating:
Christine Grab – Taxpayer
Joyce Cheng - California Society of Enrolled Agents
Gina Rodriguez – Ryan's Advocacy Services Practice
Aziz Ahmad
Antionetta Hobby Kemp
Stephen Butler

Item 1. – Approval of Minutes
The minutes of the June 26, 2023 Franchise Tax Board meeting were approved 2-0, noting Member Miller was not present for the vote.

Item 2. - Diversity, Equity, and Inclusion/Mission and Values Update
The Board received a presentation on FTB's Diversity, Equity, and Inclusion/Mission and Values Update.

Item 3. - 2023 Filing Season Update
The Board received a staff report on the 2023 Filing Season Update.

Item 4. – Regulation Matters
The Board received a staff report on, and a request to approve, the 2024 Rulemaking Calendar. The Board voted 3-0 to approve the FTB's 2024 Rulemaking Calendar.

The Board also received a staff report on, and a request to grant permission to start the formal regulatory rulemaking process for California Code of Regulations, Title 18, Sections 18662-0 through 18662-8 – Domestic Pass-Through Entity Withholding. The Board voted 2-0 to approve permission to start the formal regulatory rulemaking process. Member Miller abstained from this item.

Item 5. – Legislative Matter
The Board received a staff report on, and a request to approve, staff's legislative proposal. The Board voted 2-0 to approve staff's legislative proposal. Member Miller abstained from this item.

**Item 6. - Administrative Matters**

The Board received a staff report on, and a request to approve, the following 2024/25 Budget Change Proposals:

1. Enterprise Data to Revenue (EDR2) – Phase 2
2. Political Reform Audit Resources
3. Mainframe Storage Refresh
4. Campus Security Guards
5. Contact Center Platform and Customer Callback Software

The Board voted 2-0 to approve the 2024/25 Budget Change Proposals listed above, noting Member Miller abstained from this item.

**Item 9. – Board Members' Time**

Controller Cohen moved Item 9 up to be heard after Item 6. Controller Cohen proceeded in recognizing three of FTB's outstanding security guards who showed bravery and courage in the handling of a security incident at the FTB campus. Aziz Ahmad, Antionetta Hobby Kemp, and Stephen Butler were presented with a Board Resolution of Commendation.

Member Vazquez also congratulated all three individuals. Member Vazquez touched on the challenging year for many Californians who were affected by the wildfires, storms, and flooding. He commended FTB staff for their responsive efforts to help taxpayers and extending the filing deadlines. He emphasized the importance of the Volunteer Income Tax Assistance (VITA) program and the role it plays for low-income families. Member Vazquez extended his support for any job fairs and recruitment efforts in this next year.

Member Miller expressed gratitude to all the three security guards and their professionalism, grace, and expertise.

Controller Cohen excused herself, stating that Deputy Controller Hasib Emran would finish out the Board meeting in her absence.

**Item 7. – Taxpayers' Bill of Rights Hearing**

Deputy Controller Hasib Emran provided opening remarks on behalf of Controller Cohen, describing this annual hearing, which is required by law, and stated that Franchise Tax Board's staff members were present to respond to any questions, which may be raised as a result of taxpayer proposals.

Angela Jones, the Taxpayers' Rights Advocate, provided opening comments and thanked Controller Cohen for providing her valuable perspective, experience, and support of FTB's innovative solutions. She expressed appreciation to those members of the public who provided written responses and informed the public that written responses to the issues raised at the hearing would be provided by February 1, 2024.

The following people provided comments during the hearing:
Christine Grab – Taxpayer
Mrs. Grab provided 12 comments and proposals related to FTB's staff and activities.

Joyce Cheng - California Society of Enrolled Agents
Ms. Cheng provided comment regarding California's conformity with the Internal Revenue Code.

Item 8. – Executive Officer's Time
Selvi had no comments at this time.
During Public Comment, Gina Rodriguez provided comments regarding the Office of Tax Appeal's jurisdiction and FTB’s audit process.

Member Vazquez and Deputy Controller Emran ended the meeting with some closing remarks, wishing everyone a happy and healthy and safe holiday season, and a prosperous New Year.

Deputy Controller Emran adjourned the meeting at 3:37 p.m.

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Board Liaison

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Date