

Regulation Matter PowerPoint

Franchise Tax Board Meeting
Monday, December 8, 2025

Slide 1: Regulation Matter

2026 Rulemaking Calendar

Presenter Name: L. Red Gobuty – Legal Division

December 8, 2025

Slide 2: Rulemaking Calendar Requirements

- Agency preparation requirements found at Government Code Section 11017.6
- FTB must deliver a Board-approved rulemaking calendar to the Office of Administrative Law annually
- Rulemaking calendar provides required information on regulatory items FTB plans to propose as part of the rulemaking process

Slide 3: Current Projects

- **Market-based Rules – Personal Income Tax Sourcing and Withholding Provisions** (California Code of Regulations, Title 18, (CCR) Sections 17951-5 and 17951-8)
- **Tax Deferred Exchanges** (CCR Section 17951-7)
- **Domestic Pass-Through Entity Withholding** (CCR Sections 18662-0 through 18662-8)
- **Exempt Organizations** (CCR Sections 23701, 23772, and 23775 through 23778)

Slide 4: Newly Added Project

- Election to Make a De Minimis Payment Resulting from Federal Partnership Level Audit (CCR section 18622.5)
- Explores potentially adding “de minimis” rule, applicable to partner reporting and payment requirements resulting from a Partnership Level Audit concluded by the IRS

Slide 5: Questions?

Slide 6: Public Comment