

# FRANCHISE TAX BOARD MEETING

December 10, 2024

The Franchise Tax Board met in open session at 10:00 a.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 Member Michele Perrault, Department of Finance, for Member Stephenshaw.

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

Selvi Stanislaus, Craig Scott, Shane Hofeling, Cristina Rubalcava, Brian Werking, Denis Armstrong, and Angela Jones.

## **Others Participating:**

Dr. Corey Jackson – California State Assembly Member

Amy Everitt – President of Golden State Opportunity

Ivan Fernandez - California Federation of Labor Unions, AFL-CIO

Jessica Bartholow - California State Council, Service Employees International Union

Devon Gray – President of End Poverty in California

Teri Olle – California Director of the Economic Security California

Mark Stivers – Director of Legislative Advocacy for the California Housing Partnership

Rebecca Gonzales - Western Center on Law and Poverty

Alissa Anderson – Policy Director of the California Budget and Policy Center

Sam Wilkinson - GRACE-End Child Poverty in California

Danielle Bautista – United Ways of California

Christine Grab – Taxpayer

Renee Rodda - Spidell Publishing Lenny Goldberg, California Tax Reform Association

Lenny Goldberg - California Tax Reform Association

## **Item 1. – Work, Assets, and the Safety Net**

A. Introduction and Opening Remarks from Member Lieber

B. Framing the Issues

- Amy Everitt, President of Golden State Opportunity gave a presentation regarding fighting to end poverty and build a society where we all have the means and resources to succeed and prosper.
- California State Assembly member Dr. Corey Jackson gave a presentation regarding California's social safety net systems.

C. Working California

- Ivan Fernandez, Legislative Advocate for California Federation of Labor Unions, AFL-CIO gave a presentation regarding income inequality crisis, what challenges workers are facing, and the opportunities to address this crisis.
- Jessica Bartholow, Director of Government Relations, California State Council, Service Employees International Union gave a presentation regarding ending working poverty.

#### D. Asset Building in California

- Devon Gray, President, End Poverty in California gave a presentation regarding ending poverty.
- Teri Olle, California Director, Economic Security California gave a presentation regarding putting money into the pockets of people who need it most, through policies and programs that provide unrestricted cash, like refundable tax credits and guaranteed income.

#### E. The Safety Net in California

- Mark Stivers, Director of Legislative Advocacy, California Housing Partnership gave a presentation regarding California's Affordable Housing Shortage.
- Rebecca Gonzales, Policy Advocate from Western Center on Law and Poverty gave a presentation regarding expanding targeted tax credits and protecting them from offsets.
- Alissa Anderson, Policy Director, California Budget and Policy Center gave a presentation regarding strengthening California's Refundable Income Tax Credits to help Californians make ends meet.

#### F. Closing Remarks

- Deputy Controller Hasib Emran and Member Lieber

Public comment was received from Sam Wilkinson from GRACE-End Child Poverty in California and Danielle Bautista from United Ways of California.

### **RECESS Until 1:09 p.m.**

#### **Item 2. – Approval of Minutes**

The minutes of the September 9, 2024 Franchise Tax Board meeting were approved 3-0.

#### **Item 3. – Regulation Matter**

The Board received a staff report on, and a request to approve, the 2025 Rulemaking Calendar. The Board voted 3-0 to approve the FTB's 2025 Rulemaking Calendar.

#### **Item 4. – Legislative Matter**

The Board received a staff report on, and a request to approve, staff's legislative proposal regarding the federal direct file notification. The Board voted 2-0 to approve staff's legislative proposal. Member Perrault abstained from voting on this proposal.

## **Item 5. – Taxpayers' Bill of Rights Hearing**

Controller Cohen provided opening remarks 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 and the Board Members for providing their valuable perspective, experience, and support of FTB's innovative solutions, as we continually strive to optimize services, we provide to California taxpayers and tax professionals.

Angela 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 3, 2025.

The following people provided comments during the hearing:

### **Renee Rodda - Spidell Publishing**

Ms. Rodda provided comment thanking the FTB staff for their dedication and commitment to serving the needs of California taxpayers.

Ms. Rodda also provided comments addressing notice releases, disaster postponements, and better ways to communicate disaster relief to taxpayers in a timelier fashion.

### **Lenny Goldberg - California Tax Reform Association**

Mr. Goldberg provided comments on the need for FTB to continue to be more diligent in seeking out some collectable revenue. He asked for data regarding the sales factor reporting, Water's Edge reporting, and like-kind exchanges involving non-California residents.

### **Christine Grab – Taxpayer**

Mrs. Grab provided 7 comments and proposals related to FTB's collection activities, notices, operations.

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

Selvi had nothing to report at this time.

## **Item 7. – Board Members' Time**

Chairperson Cohen thanked everyone for attending the meeting and for always being committed to our taxpayers during our Annual Taxpayer Bill of Rights Hearing as well.

Controller Cohen also mentioned the celebration of the 76th anniversary of the United Nation's Universal Declaration of Human Rights.

Member Lieber also commended the Taxpayers' Bill of Rights Hearing and the benefits of the responses we received. She also stated that the morning hearing touched on some needed topics and the need for further discussion.

Controller Cohen adjourned the meeting at 2:02 p.m.

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Board Liaison

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Date