

ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Cunneen Analyst: Roger Lackey Bill Number: AB 2163

Related Bills: AB 2100 (99/00) Telephone: 845-3627 Amended Date: 04-11-2000

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: California Internet Portal

SUMMARY OF BILL

This bill would require the development and implementation of a single Internet portal to provide the public with a single point of access to all California government Internet services.

In addition, this bill would change the name of the Department of Information Technology (DOIT) to the Information Technology Agency (ITA).

This bill would make other changes to the Government Code that do not affect the department. These changes are not discussed in this analysis.

SUMMARY OF AMENDMENT

The April 11, 2000, amendment deleted language in the bill that would have created a credits for "qualified taxpayers" that provided Internet access and computers to low income-households.

This is the department's first analysis of the bill.

EFFECTIVE DATE

This bill would be effective January 1, 2001. It specifies that the ITA Secretary would be required to develop an implementation plan for the portal by July 1, 2001, and that the portal would be operational by July 1, 2002.

PROGRAM HISTORY/BACKGROUND

In March of 1995, Governor Wilson issued an executive order requiring all state agencies to provide public information on the Internet. The California Government website was subsequently established. It allowed agencies to comply with the executive order without having to develop independent websites.

The Franchise Tax Board (FTB) was the first department to comply with the order by providing general information and forms on the Internet. FTB has its own website to more easily customize data and gather statistics on information requests.

SPECIFIC FINDINGS

Existing **state law** provides for DOIT. Its duties are to provide leadership, guidance, and oversight of information technology (IT) in state government.

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	_____ X PENDING

Department Director

Date

Gerald H. Goldberg

4/26/00

State law also provides for the Governor to appoint the Director of Information Technology. The Director's duties include: developing plans and policies to support and promote IT; overseeing the management of IT projects; preparing annual reports; providing recommendations regarding IT to the Governor and the Legislature; identifying which applications of IT should be statewide in scope; and establishing policies and procedures for scheduling and funding major IT projects.

The existing Revenue and Taxation Code (R&TC) requires corporate taxpayers with a tax liability over \$80,000 or that make estimated payments over \$20,000 to remit their tax payments through electronic funds transfer (EFT). The law allows other taxpayers to request EFT payments. Depending on the type of EFT payment used, the law specifies whether any associated EFT fees shall be paid by the state or may be charged to the taxpayer.

In addition, **existing state law** (Government Code Section 6163) provides that state agencies accept payments of taxes, fees, etc. by means of credit cards.

This bill would change the name of DOIT to the Information Technology Agency (ITA).

This bill would require the development of plans, specifications, protocols, and implementation schedules for a single Internet portal that would provide the public with a single point of access to all California Government Internet services. Plans for the Internet portal would be required by July 1, 2001, with implementation no later than July 1, 2002.

In addition, **this bill** would provide that by July 1, 2001, ITA, in conjunction with other agencies, must develop plans, specifications, protocols, and implementation schedules for the following (all of which would be implemented no later than July 1, 2002):

- Making available crucial public information through the California Internet portal.
- Allowing for the electronic reporting of information.
- Filing of applications for services, licenses, registrations, and permits.
- Payment of fees or taxes through electronic transfer or other electronic payment methods.
- Electronic notification of permits renewals, orders, or other notifications generally provided by state agencies to the public through postal mail or private carrier services.

Also, **this bill** would provide that nothing in this bill or other statutes dealing with electronic transactions among state agencies or other state entities would be construed to imply that the existing statutory rights to privacy are abrogated, surrendered, or diminished because a transaction or any other function of government is performed electronically.

Implementation Considerations

Currently, the department is developing its own Internet portal. The department's Internet portal will improve upon the department's business function, provide additional alternatives for income tax filings, and meet customer service demands. It is unclear how this bill would impact the development of the department's Internet portal.

The ITA secretary would be responsible for developing a plan and implementing a process to allow the payment of fees or taxes electronically. However, the department already accepts credit cards and EFT payments, as required by law. The department would continue to follow those statutory requirements unless they are amended or repealed.

FISCAL IMPACT

Departmental Costs

This bill would not impact the department's costs.

Tax Revenue Estimate

This bill would not impact the state's income tax revenue.

BOARD POSITION

Pending.