

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Speier Analyst: Gloria McConnell Bill Number: SB 1828

Related Bills: _____ Telephone: 845-4336 Amended Date: 06/06/00

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Drug Violation through Internet/FTB Offset Civil Penalties from Tax Refunds

- DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as amended 04/06/00.
- AMENDMENTS IMPACT REVENUE. A new revenue estimate is provided.
- AMENDMENTS DID NOT RESOLVE THE DEPARTMENT'S CONCERNS stated in the previous analysis of bill as introduced/amended _____.
- FURTHER AMENDMENTS NECESSARY.
- DEPARTMENT POSITION CHANGED TO _____.
- REMAINDER OF PREVIOUS ANALYSIS OF BILL AS INTRODUCED 02/24/00 STILL APPLIES.
- OTHER - See comments below.

SUMMARY OF BILL

This bill would require the Franchise Tax Board (FTB) to subtract certain fines or civil penalties from tax refunds or lottery winnings due certain taxpayers/defendants. FTB would make such offsets upon notification by the Attorney General or the Medical Board of California or the Pharmacy Board of California of a final judgment for fines or civil penalties for specified violations relating to prescribing, dispensing or furnishing dangerous drugs or devices via the Internet.

SUMMARY OF AMENDMENT

The amendments relating to the offset provisions resolve the implementation consideration identified in FTB's previous bill analyses. The operative date for the offset provisions would be for notifications made on or after January 1, 2002. However, the amendments raise a new technical consideration, as discussed with the author's office.

EFFECTIVE DATE

This bill would be effective and operative on January 1, 2001. However, the operative date for the offset provisions in this bill would be for notifications made on or after January 1, 2002, to allow FTB to complete its necessary Business Entities Tax System programming and testing activities.

Technical Consideration

This bill would allow the Attorney General to bring an action to collect civil penalties only. It does not make reference to the collection of fines. According to the author's office, this was an inadvertent omission, and the bill will be amended to allow the Attorney General to bring an action to collect both fines and civil penalties.

Board Position:

<input type="checkbox"/> S	<input type="checkbox"/> NA	<input type="checkbox"/> NP
<input type="checkbox"/> SA	<input type="checkbox"/> O	<input type="checkbox"/> NAR
<input type="checkbox"/> N	<input type="checkbox"/> OUA	<input checked="" type="checkbox"/> PENDING

Legislative Director

Date

Johnnie Lou Rosas

7/5/00

Analyst	Gloria McConnell
Telephone #	845-4336
Attorney	Patrick Kusiak

FRANCHISE TAX BOARD'S
PROPOSED AMENDMENTS TO SB 1828
As Amended 06/06/00

AMENDMENT 1

On page 3, line 10, and page 4, line 12, after "the" insert:

fines or