

SUMMARY ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Rev & Tax Committee Analyst: Gloria McConnell Bill Number: SB 2173

Related Bills: _____ Telephone: 845-4336 Amended Date: 04/26/00

Attorney: Patrick Kusiak Sponsor: FTB

SUBJECT: Nontaxability of Lottery Winnings

DEPARTMENT AMENDMENTS ACCEPTED. Amendments reflect suggestions of previous analysis of bill as introduced/amended _____.

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 AMENDED 03/30/00 STILL APPLIES.

OTHER - See comments below.

SUMMARY OF BILL

This bill, which is sponsored by the Franchise Tax Board (FTB), would clarify that amounts received by a California lottery prizewinner from another person as a result of the assignment (transfer) by the prizewinner of the right to receive future lottery winning payments are exempt from state and local taxes.

SUMMARY OF AMENDMENT

The March 30, 2000, amendment removed the provisions that would have allowed the FTB to continue its current practice of using tax returns (either paper or electronic) or information electronically captured from tax returns to make deficiency determinations.

The April 26, 2000, amendment states that the bill is declaratory of existing law and resolves the "Policy Consideration" raised in FTB's analysis of the bill as introduced February 25, 2000.

The remainder of the analysis of the lottery provision, included in the bill as introduced, still applies.

BOARD POSITION

Support. The FTB voted at its meeting of December 16, 1999, to sponsor the lottery provision contained in this bill.

Board Position:

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

Legislative Director

Date

Johnnie Lou Rosas

5/12/00

