



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Legal Division
PO Box 1720
Rancho Cordova, CA 95741-1720

JOHN CHIANG
Chair

BETTY T. YEE
Member

MICHAEL C. GENEST
Member

Subject: Interested Parties Meeting – September 6, 2007
Air Transportation Regulations

Dear Interested Parties:

Thank you for your participation in the interested parties meeting held on September 6, 2007, to discuss possible changes to the existing special industry apportionment regulation affecting air transportation companies. Enclosed please find the summary report of this meeting. Please review the report and feel free to offer any comments. Comments can be oral or in writing and do not need to be limited to the questions raised, or the points presented, at the meeting.

Staff would like to start drafting proposed regulations in the near future and would prefer that any changes to the existing apportionment formula be with industry's input and support. To that end, your comments are critical to this process. However, staff needs as much time as possible to incorporate your thoughts and comments into any draft or proposed regulations. If possible, please try to have any comments delivered to this office within 45 days of the date of this letter so that staff will have as much time as possible to consider them before commencing the drafting process.

Thank you again for your continued participation and interest in this process. Please feel free to call me at the telephone number below if you would like to discuss this matter further.

Sincerely,

Kathryn J. Harker
Tax Counsel
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Encl: Summary Report