STATE OF CALIFORNIA
**FRANCHISE TAX BOARD**
PO BOX 1720
SACRAMENTO CA 95741-1720
Telephone (916) 845-3306 Fax (916) 845-3648

JOHN CHIANG
Chair

JEROME E. HORTON
Member

MICHAEL COHEN
Member

# Interested Parties Meeting

To attend this meeting, please RSVP by February 12, 2014, by contacting Colleen Berwick at (916) 845-3306 or Email: colleen.berwick@ftb.ca.gov.

To participate in this meeting by telephone, use this number to dial in - (877) 923-3149. The participant pass code is 2233420.

## When

Friday, February 14, 2014
10:00 a.m.

## Where

Franchise Tax Board
Golden State Room A
9646 Butterfield Way
Sacramento, CA 95827
North Lobby

## Topic

The Franchise Tax Board (FTB) is considering the adoption of a new regulation that would authorize and establish specific procedures under which FTB staff could release a lien under the discretionary language in Revenue and Taxation Code (RTC) section 21019, subdivision (f). That subdivision provides, in pertinent part, that FTB "may release a lien under any circumstances to facilitate the collection of the tax liability or, if that release is in the best interest of the taxpayer and the state, and take any action associated with the release of that lien it deems appropriate." Staff anticipates that any such proposed regulation would include provisions under which staff would release such liens with a statement that the released lien should be treated as though it was filed or recorded in error.

Please note that this proposed rulemaking action is not intended to address the mandatory release situations described in RTC section 21019, subdivisions (c) and (d), relating to liens filed (1) not in accordance with administrative provisions, or (2) after the taxpayer has entered into an installment payment agreement under RTC section 19008.

## Purpose

To elicit public input on a proposed regulation that would authorize and establish specific procedures under which FTB staff would be able to release a lien under the discretionary language in RTC section 21019, subdivision (f), together with a statement that the released lien should be treated as though it was filed or recorded in error, and identify general principles and standards that should be used by FTB staff to determine whether to use such a release under RTC section 21019, subdivision (f). In particular, staff seeks input on examples of situations where a lien should or should not generally be released under RTC

section 21019, subdivision (f), together with a statement that the released lien should be treated as though it was filed or recorded in error.

**Contact: Melody Scullary:**

- Email: melody.scullary@ftb.ca.gov
- Telephone: (916) 845-4978
- Address: Legal Division (MS-A260), P.O. Box 1720, Rancho Cordova, CA 95741-1720.

Visitors Parking Map

*** This facility is architecturally accessible to persons with physical disabilities.**

COST IMPACTS OF PROPOSED RULEMAKING

In addition to discussion regarding a potential new regulation, the Administrative Procedure Act (APA) requires the department to assess the economic impact of this proposed regulation on business, representative private persons, and small businesses. Recent legislation (SB 617, Stats. 2011, ch. 496) revised certain aspects of the standardized regulatory cost impact analysis, particularly with respect to "major regulations" (as defined), but also with respect to other rulemaking activities. As a result, the department intends to solicit information from interested parties during the pre-APA process that will assist in preparation of the regulatory cost impact analysis.

Specifically, the APA requires the department to assess the economic and fiscal impact of this regulation on the following –

(1) Estimated private sector cost impacts on businesses and/or employees, small businesses, jobs or occupations, competitiveness of California businesses, reporting requirements, or individuals. This includes the total number and types of businesses impacted, including the number or percentage of those businesses that are small businesses, the number of businesses that will be created or eliminated, the geographic extent of the impacts (local or statewide), the number of jobs created or eliminated, and the ability of California businesses to compete with businesses in other states.

(2) Estimated total statewide dollar costs that businesses and individuals may incur to comply with this regulation, including start-up and ongoing costs. This includes an identification of the costs for each industry affected, the annual costs a typical business may incur to comply with these requirements (including programming, recordkeeping, reporting and other paperwork, whether or not the paperwork is required to be submitted), whether the regulation directly impacts housing costs, and whether there are comparable federal regulations.

(3) Estimated benefits from the regulation (both whom will benefit and by how much).

(4) Any suggested alternatives to the proposed regulation, and the costs and benefits of those suggested alternatives under 1, 2 and 3 above.

(5) Whether the estimated costs of this regulation to California businesses will exceed $10 million.