Franchise Tax Board

SUMMARY ANALYSIS OF AMENDED BILL

Author:	Brough	Analyst:	Davi Milam	Bill Number:	AB 1929
Related Bills:	See Prior Analysis	Telephone:	845-2551	Amended Date:	March 28, 2016
		Attorney:	Bruce Langston	Sponsor	

SUBJECT: Earned Income Refundable Credit Annual Report/ FTB Include in Report Number of Returns Claiming Credits Reduced or Denied Before Issued

SUMMARY

This bill would, under the Personal Income Tax Law, modify the Franchise Tax Board's (FTB) annual report to the Legislature on the earned income tax credit (EITC).

RECOMMENDATION

No position.

SUMMARY OF AMENDMENTS

The March 28, 2016, amendments resolved the implementation concern discussed in the department's analysis of the bill as introduced February 12, 2016.

Except for the "This Bill" and "Implementation Considerations," sections the remainder of the department's analysis of the bill as introduced February 12, 2016, still applies. The "Economic Impact" and "Fiscal Impact" sections have been restated for convenience.

THIS BILL

This bill would modify the FTB's annual EITC report to the Legislature by requiring the FTB to also report:

- The number of returns claiming the credit that are reduced in part before any refund is issued.
- The number of returns claiming the credit that are denied in full before any refund is issued.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would require some changes to existing information systems.

FISCAL IMPACT

The department's costs to implement this bill have yet to be determined. As the bill continues to move through the legislative process, costs will be identified.

ECONOMIC IMPACT

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

LEGISLATIVE STAFF CONTACT

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