

FRANCHISE TAX BOARD  
MINUTES  
DECEMBER 4, 2014 MEETING

The Franchise Tax Board met in open session at 10:30 a.m. at the Franchise Tax Board, 9646 Butterfield Way, Gerald Goldberg Auditorium, Sacramento, California. Present were Deputy Controller Marcy Jo Mandel for Chair Chiang, Hon. Jerome E. Horton, and Chief Deputy Eraina Ortega, Department of Finance, for Member Cohen.

**Franchise Tax Board**

**Staff Participating:** Selvi Stanislaus, Jozel L. Brunett, Bruce Langston, Michael Banuelos, Cathy Cleek, Gail Hall, Ciro Immordino, Steve Sims, Melissa Williams, and Colleen Berwick.

**Others Participating:** Lynn Freer, Spidell, Vickie Mulak, CSEA, and Gina Rodriguez, Cal Tax

**Item 1. – Approval of Minutes**

The minutes of the September 30, 2014, Franchise Tax Board meeting were approved 3-0.

**Item 2. – Annual EDR Update**

The Board received a PowerPoint presentation on what EDR implemented in calendar year 2014 and what to look forward to in the calendar year 2015.

**Item 3. – Legislative Matters**

Legislative Proposals – Staff report and Board approval.

Legislative Proposal A – Nonadmitted Insurance Tax Clarification.

The Board voted 2-0 (Member Ortega abstaining) to approve the proposal.

Legislative Proposal B – Taxpayers' Right Advocate Equity Relief.

The Board voted 2-0 (Member Ortega abstaining) to approve the proposal with a direction to FTB staff to notify the Taxpayers' Advocate of systemic issues.

**Item 4. – Regulation Matters**

a. 2015 Rulemaking Calendar – The Board voted 3-0 approve.

b. Regulation 23663 – (Assignment of Credits Among Affiliated members - Definitions)

The Board voted 3-0 to proceed with the formal regulatory process.

c. Regulation 25136-2 – (Market Based Rules for Sales Factor)

The Board voted 3-0 to proceed with the formal regulatory process.

**Item 5. – Administrative Matters**

Contracts Over \$1 Million – Board approval.

- Security Analysis Audit Logging Tool (SAALT) Replacement – Board approval.

The Board voted 3-0 to approve the contract.

- IBM Passport Advantage Software Subscription and Support Renewal – Board approval.

The Board voted 3-0 to approve the contract.

**Item 6. – Taxpayers' Bill of Rights Hearing**

See attached Taxpayers' Bill of Rights Hearing, Franchise Tax Board, Minutes, December 4, 2014.

**Item 7. – Executive Officer's Time**

Selvi Stanislaus presented a Resolution for Controller Chiang and a Power Point presentation for his service as Controller for the State.

**Item 7. – Board Members' Time**

The Board members presented a Resolution to Steve Sims and Colleen Berwick commending each of them on the occasion of their individual retirement and their service at FTB.

The Board members presented a Resolution appointing new Board Liaison, Dawn Casey, and commending prior Board Liaison, Colleen Berwick.  
The Board members approved 3-0.

The Deputy Controller announced the agenda for and the Board convened in Closed Session commencing at 12:08 p.m. pursuant to Government Code section 11126.3.

The Board reconvened in open session and adjourned the meeting at 12:40 p.m.