



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Legal Department
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STEVE WESTLY
Chair

JOHN CHIANG
Member

TOM CAMPBELL
Member

August 26, 2005

NOTICE OF PUBLIC MEETING

The Franchise Tax Board will meet on **Wednesday, September 7, 2005 at 10:00 a.m.** at the Board of Equalization, 450 N Street, Room 121*, Sacramento, California, 95814.

This notice is available for viewing on the Franchise Tax Board's Internet web site (<http://www.ftb.ca.gov/law/meetings/index.html>).

A copy of the [agenda](#) is enclosed.

If you would like to submit written materials pertaining to an agenda item for distribution to Board members in advance of the meeting, please submit the materials to the address below no later than twelve o'clock noon (12:00 pm) on Wednesday, August 31, 2005, to allow staff adequate time to post the materials on the Internet and distribute them to interested persons who have requested notice of Board meetings. Staff cannot give to the Board Members any material received after noon on August 31st.

Email: Colleen.Berwick@ftb.ca.gov

FAX: (916) 845-3648

Mail: Address listed below.

If you have any questions or need additional information, please call (916) 845-3306 or write to:

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Franchise Tax Board
Legal Department
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***This facility is architecturally accessible to persons with physical disabilities.**

Agenda

Franchise Tax Board Meeting
Wednesday, September 7, 2005, 10:00 a.m.
State Board of Equalization
450 N Street, Room 121*
Sacramento, CA 95814

Open Session

Item 1. **Approval of Minutes**

Approval of Minutes of the June 15, 2005 Board meeting.

Item 2. **Amnesty**

- a. **Legislative matters** – Possible Board action.
- b. **Administrative matters** – Possible Board action.

Item 3. **Tax Gap**

Staff report and possible Board action to address the tax gap.

Item 4. **Regulation Matters**

- a. **Possible Draft Proposed Regulation 25137-14** (Taxation of Mutual Fund Service Providers) - Request to Hold Symposium. (**New Board Material**)
- b. **Draft Proposed Regulation 25106.5-11** (Election to File a Group Return) – Staff Report.
- c. **Draft Proposed Regulations 24411 and 25106.5-1** (Ordering of Dividend Payments) – Staff Report.
- d. **Draft Proposed Regulation 25110(d)(2)(F)3** (Deductions with Respect to Non-Effectively Connected Income) – Staff Report.

Item 5. **Deduction of Mello-Roos Taxes**

Staff report and Board discussion.

Item 6. **Writings Under Bagley-Keene**

Staff report and possible Board action regarding written materials.

Item 7. **Administrative Matters**

FY 06/07 BCPs – Board action.

- 1. **Abusive Tax Shelters** – Legal Workload
- 2. **Outside Counsel and Case Expert Contracts**
- 3. **Processing Equipment Replacement**
- 4. **ReadyReturn**
- 5. **Court Ordered Debt (COD) Expansion**

Item 8. **Child Support**

Staff report.

Item 9. Executive Officer's Time

Executive Officer's opportunity to report on matters of interest to the Board.

Item 10. Board Members' Time

Members' opportunity to raise other matters of interest.

Closed Session

Item A. Closed session to allow the Board to confer with and receive advice from legal counsel regarding Gilbert P. Hyatt v. Franchise Tax Board, State of Nevada, Clark County District Court, A382999, and other pending litigation within the meaning of Government Code section 11126, subdivision (e)(2). Closed session is authorized by Government Code section 11126, subdivision (e)(1).

Item B. Closed session to consider recommendations regarding Offers in Compromise. Closed session is authorized by Government Code section 11126, subdivision (c)(10), and Revenue and Taxation Code section 19542.

Item C. Closed session to discuss and act on Personnel Matters. Closed session is authorized by Government Code section 11126, subdivisions (a)(1) and (c)(10).

- * **This facility is architecturally accessible to persons with physical disabilities.**
- **When the circumstances warrant, the Chair may modify the order of the agenda items.**
- **This notice, including links to written material related to the Open Session agenda items, is also available at <http://www.ftb.ca.gov/> under the heading FTB Public Meeting Notices.**
- **If you have a disability and would like to request reasonable accommodation and/or this material in alternate format, please make your request as soon as possible, but no later than five working days prior to the meeting date. Some alternate formats take longer to produce than others. Therefore, the earlier your request is received, the more likely we can provide the specific alternate format you request. To place your request, please contact Ellen Clemente by phone at (916) 845-3651 or by email at Ellen.Clemente@ftb.ca.gov.**