

FRANCHISE TAX BOARD  
MINUTES  
DECEMBER 4, 2013 MEETING

The Franchise Tax Board met in open session at 1:40 p.m. at the Franchise Tax Board, 9646 Butterfield Way, Gerald Goldberg Auditorium, Sacramento, California. Present were Deputy Controller Marcy Jo Mandel for Hon. John Chiang, Chair, Hon. Jerome E. Horton, and Chief Deputy Director Eraina Ortega for Hon. Michael Cohen.

**Franchise Tax Board**

**Staff Participating:** Selvi Stanislaus, Jozel Brunett, Bill Gardner, Patrick Kusiak, Cathy Cleek, Gail Hall, Jeanne Harriman, Steve Sims, and Colleen Berwick.

**Others Participating:** Gina Rodriguez, Cal Tax and Tom Hudson, State Board of Equalization.

**Item 1. – Approval of Minutes**

The minutes of the September 4, 2013, Franchise Tax Board meeting were approved 2-0 (Member Ortega abstaining).

**Item 2. – Legislative Proposals**

Legislative Proposals – Staff report and Board approval.

The Board voted 2-0 (Member Ortega abstaining) to approve the following proposals:

- LP A – Conform to the Federal Research Credit Methods.
- LP B – Dependent Taxpayer Identification Numbers.
- LP C – Business Entities e-Filing Requirement.
- LP D – First-Time Abatement of Timeliness Penalties.

The Board heard from the following members of the public regarding this Agenda item:

Gina Rodriguez, Cal Tax.

Tom Hudson, representing Hon. Michelle Steele, State Board of Equalization.

**Item 3. – Annual EDR Update**

The Board received a staff report on Franchise Tax Board's EDR Update.

**Item 4. – Regulation Matters**

2014 Rulemaking Calendar – Board approval.

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

The Board's approval extended to a technical change to Revenue and Taxation Code section 23038 updating or deleting the date "January 1, 1997" to permit the adoption of regulations consistent with federal regulations regarding the classification of business entities.

**Item 5. – Administrative Matters**

- a. 2014/15 Budget Change Proposal – Board approval.

BCP #1 – Enterprise Data to Revenue Project.

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

- b. Facility Action Item – Board approval.

Central Office Regional Transit Parking Lot Lease.

The Board voted unanimously (3-0) to approve the Facility Action Item.

- c. Contracts over \$1 million – Board approval.

1. Security Guard Services Contract.
2. Microsoft Software Maintenance Renewal.

The Board voted unanimously 3-0 to approve the Security Guard Services Contract.

The Board voted (2-0) to approve the Microsoft Software Maintenance contract.

NOTE: Prior to consideration of item 5.c.2. (Microsoft Software Maintenance Renewal), Deputy Controller Mandel relinquished the responsibilities of Chair to Member Horton, left the area, and did not participate in any way with respect to the Board's consideration of that item. Immediately after the Board took action with respect to item 5.c.2., Deputy Controller Mandel resumed responsibilities as Chair.

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

See attached Taxpayers' Bill of Rights Hearing, Franchise Tax Board, Minutes, December 4, 2013.

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

Selvi Stanislaus received an award from Carlos Ramos, CIO for the State of California and Director of Technology, for her innovation and for her leadership, not only for EDR, but for the long stream of successful projects that the Franchise Tax Board has developed and deployed, and for establishing a culture of innovation and leadership within the organization.

**Item 8. – Board Members' Time**

The Board members presented a Resolution to Patrick Kusiak commending him on the occasion of his retirement and for his service at FTB.

The Deputy Controller announced the agenda for and the Board convened in Closed Session commencing at 3:02 p.m. pursuant to Government Code section 11126.3.

The Board reconvened in open session and adjourned the meeting at 3:09 p.m.

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Board Liaison

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Date

PENDING BOARD APPROVAL