

Franchise Tax Board Interested Parties Meeting Process Staff Report

FTB has a commitment to make our organization, processes, and operations more accessible and transparent. Interested Parties Meetings (IPMs) are viewed as one key step in implementing this commitment. By having IPMs, we seek input on ways to make tax administration fair, effective, and efficient. This input is critical to our goal of increasing voluntary compliance with our tax laws and the public's trust in government.

IPMs are open forums held with our external stakeholders to discuss specific FTB related issues that are appropriate for input and discussion, e.g., implementation of new law, proposed initiatives to ease taxpayer burden. Topics usually involve sensitive policy matters that generate significant impacts or concerns to either a group of taxpayers or a specific industry. The IPMs are viewed as a way for the State to seek input from those identified that have a vested interest in the topic. Announcements, agendas and results of IPMs are typically posted to FTB's home page.

FTB has held several interested parties meetings in the past few months. These include recent IPM's that covered:

- Effect of judicial decisions in *Northwest Energetic Services, LLC vs. FTB and Ventas Finance I, LLC vs. FTB* (March 13, 2007)
- Tax return filing by registered domestic partners (SB 1827) (Nov 30, 2006 and follow-up session on January 30, 2007)
- Effect of CA Supreme Court decisions in *Microsoft vs. Franchise Tax Board and General Motors vs. Franchise Tax Board* (January 31, 2007 and follow-up session on March 30, 2007)
- Real estate withholding (AB 2962) (December 11, 2006)
- Reducing Taxpayer Burden (November 1, 2006), discussion helped us bring stakeholders' vision of future filing vis-à-vis electronic access to taxpayer data and ReadyReturn.

Overall, we have had great success in getting valuable input and feedback from our stakeholders in how we conduct our business. They have been informal in nature, allowing for the free flow of ideas without attribution. Together with electronic surveys and focus groups, the IPM process has become an essential tool for FTB to solicit input from the public on how we do business.