

FRANCHISE TAX BOARD
MINUTES
MARCH 19, 2009 MEETING

The Franchise Tax Board met in open session at 1:00 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. Betty T. Yee, and Hon. Michael C. Genest. As noted below, Hon. John Chiang, Chair, arrived during the meeting.

Franchise Tax Board

Staff Participating: Selvi Stanislaus, Geoffrey S. Way, Patrick Kusiak, Phillip Gray, Diane Lieberman, Brian Rau, Anne Mazur, Brian Miller, and Colleen Berwick.

Others Participating: Lenny Goldberg, California Tax Reform Association and Kyla Christoffersen, California Chamber of Commerce

Item 1. – Approval of Minutes

The minutes of the December 4, 2008, Franchise Tax Board meeting and Taxpayers' Bill of Rights meeting were approved 2-0 (Member Yee abstaining).

Item 2. – Leveraging Data for the Future

The Board received a report and video presentation on the Enterprise Data to Revenue project.

Item 3. – Collection Efficiency Initiatives

The Board received a report and PowerPoint presentation on the Collection Efficiency Initiatives.

Item 4. – Non-Wage Withholding – Outreach Success Stories

The Board received a report and PowerPoint presentation on the Non-Wage Withholding – Outreach Success Stories.

After this item, Hon. John Chiang arrived and assumed the duties of chair for the remainder of the meeting.

Item 5. – Regulation Matters

a. Regulation 24451 (Applicability of federal regulations relating to limitations on certain built-in losses following ownership change; force and effect of IRS Notice 2008-83 exempting banks from limitation) –Staff report and possible Board action.

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

Lenny Goldberg – California Tax Reform Association

The Board received a staff report and voted unanimously (3-0) to approve the staff request to proceed with the formal regulatory process.

b. Regulations 25101.3 (Basis for Allocation of Property Factor) and 25137-7 (Air Transportation Companies - Allocation and Apportionment of Income) – Staff report and possible Board action.

The Board received a staff report and voted 2-0 (Member Genest abstaining) to approve the staff request to proceed with the formal regulatory process.

Item 6. – Executive Officer's Time

There was no discussion under this Agenda item.

Item 7. – Board Members' Time

Member Yee discussed the ongoing work regarding the implementation of the 20% understatement penalty under Section 19138 of the Revenue and Taxation Code. Staff presented the Board members with a report for this effort.

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

Kyla Christoffersen – California Chamber of Commerce

The Chair announced the agenda for and the Board convened in Closed Session commencing at 1:55 p.m. pursuant to Government Code section 11126.3.

The Board adjourned the meeting at 2:18 p.m.

Board Liaison

Date