

LEGISLATION PRESENTED FOR BOARD POSITION
JUNE 27, 2007

Bill Number	Author	Page	Staff Recommendation	Bill Subject
AB 969 As Amended April 9, 2007	Eng	2	N	Require Taxpayers to Report & Pay Use Tax on Income Tax Forms
SB 38 As Introduced December 4, 2007	Battin	2	N	Disaster Loss Deduction And Excess Loss Carryover For October 2006 Riverside County Wildfires
SB 114 As Amended February 20, 2007	Florez	3	N	Disaster Loss Deduction And Excess Loss Carryover For Specified Counties For January 11, 2007, Freezing Conditions
SB 920 As Amended May 1, 2007	Oropeza	3	N	Disclosure of State Income Tax Data to State Controller's Office
SB 978 As Introduced February 23, 2007	Harman	4	N	Require Cities To Report City Business Tax Data To FTB

AB 969 (Eng) As Amended April 25, 2007
Require Taxpayers to Report & Pay Use Tax on Income Tax Forms

This bill would eliminate the current election for a taxpayer to report and pay use tax on the state income tax return and instead enact a requirement that the use tax be reported and paid through the income tax return.

This bill would be effective January 1, 2008, and operative beginning with the 2007 taxable year, which will be filed during 2008 filing season.

Revenue Impact: This bill would not impact state income tax revenues.

Staff Recommendation: Neutral.

Status: Senate Revenue and Taxation Committee

SB 38 (Battin) As Introduced December 11, 2006
Disaster Loss Deduction And Excess Loss Carryover For Riverside County For Wildfires In October 2006.

This bill would add the wildfires that occurred in Riverside County in October, 2006, to the current list of specified disasters under the Personal Income Tax Law and the Corporation Tax Law.

Specifically, this bill would allow a taxpayer to elect to claim the loss either in the year the loss occurred or in the year preceding the loss. If a taxpayer elects to take the loss in the preceding year, this bill would allow the taxpayer to file an amended return immediately for the prior year.

As an urgency measure, this bill would be effective and operative immediately upon enactment.

Revenue Impact: The revenue loss is estimated to be less than \$150,000.

Staff Recommendations: Neutral.

Status: Assembly Revenue and Taxation Committee

SB 114 (Florez) As Amended March 7, 2007
Disaster Loss Deduction And Excess Loss Carryover For
Specified Counties, January 11, 2007, Freezing Conditions

This bill would add the freezing conditions that occurred in this state commencing January 11, 2007, specified by the Governor in his declaration of a state of emergency to the current list of specified disasters under the Personal Income Tax Law and the Corporation Tax Law. The counties included in the bill's provision are El Dorado, Fresno, Imperial, Kern, Kings, Madera, Merced, Monterey, Riverside, San Bernardino, San Diego, San Luis Obispo, Santa Barbara, Santa Clara, Stanislaus, Tulare, Ventura, and Yuba County.

Specifically, this bill would allow a taxpayer to elect to claim the loss either in the year the loss occurred or in the year preceding the loss. If a taxpayer elects to take the loss in the preceding year, this bill would allow the taxpayer to file an amended return immediately for the prior year.

As an urgency measure, this bill would be effective and operative immediately upon enactment.

Revenue Impact: This bill would generate a revenue gain of less than \$200,000.

Staff Recommendations: Neutral.

Status: Assembly Revenue and Taxation Committee

SB 920 (Oropeza) As Amended May 1, 2007
Disclosure of State Income Tax Data To State Controller's
Office

This bill would authorize FTB, subject to federal requirements, to provide the State Controller's Office (SCO), on an annual basis, specific information from business entity returns or other business entity records maintained by FTB. The information about a businesses authorized to be disclosed by this bill would include name, identification number, address, Principal Business Activity Code, and gross revenues.

The information disclosed under this bill would be used by SCO to identify businesses that may possess property of California residents.

This bill would be effective January 1, 2008, and be operative on or after that date.

Revenue Impact: This bill would not impact state income tax revenues.

Staff Recommendation: Neutral.

Status: Assembly Revenue and Taxation Committee

**SB 978 (Harman) As Introduced February 23, 2007
Require Cities To Report City Business Tax Data To FTB**

This bill would require a city that assesses a city business tax or that requires a business license to furnish specified information to FTB. The information that would be required to be furnished is information collected in the course of administration of the city's business tax program, limited to the following:

- Name of the business if a corporation, partnership, or limited liability company, or the owner's name if a sole proprietorship
- Business mailing address
- Federal employer identification number, if applicable, or the business owner's social security number
- North American Industry Classification Code (commonly referred to as "NAICS")
- Business start date
- Business cease date
- Status of license
- Ownership type, i.e., partnership, corporation, sole proprietor

The cities would be required to begin providing information as soon as feasible, but no later than December 31, 2008. Use of the data is limited to state tax enforcement or as otherwise authorized by law.

This bill would be effective January 1, 2008, and operative for cities that assess a tax or require a city business license on or after that date.

Revenue Impact: (\$ in Millions)

2008-09	2009-10	2010-11	2011-12	2012-13
+\$21	+\$30	+\$33	+\$35	+\$37

Staff Recommendation: Neutral.

Status: Assembly Revenue and Taxation Committee