

Status Report on the Adoption of Regulation Section 25106.5-11

On December 1, 2004, staff received permission to proceed with the proposed adoption of Regulation section 25106.5-11. The proposed regulation codifies the pre-existing administrative practice of allowing unitary combined report members who are California taxpayers to designate a key corporation and file a single group return.

On May 6, 2005, a public notice was published in the Office of Administrative Law Weekly Notice Register of the Franchise Tax Board's intent to adopt Regulation section 25106.5-11. The notice stated that a public hearing would be held only if requested by any interested person at least 15 days before the close of the written comment period of June 27, 2005. Receiving neither, the hearing was cancelled.

Staff is preparing the necessary documents to be submitted to the Office of Administrative Law pursuant to the Administrative Procedure Act and anticipates the documents will be finalized and submitted by the latter part of September 2005.