Rulemaking Calendar – A New Approach

Background

Current law (Government Code section 11017.6) requires every state agency responsible for implementing statutes to prepare an annual rulemaking calendar. This rulemaking calendar generally provides information for the Office of Administrative Law (OAL) for planning OAL's upcoming yearly workload. OAL is required by law to review regulations for compliance with the Administrative Procedures Act (APA, see Government Code section 11340 et seq.).

Historically the Franchise Tax Board (FTB) rulemaking calendars included every regulation project currently in progress and every other regulation project that might be undertaken during the calendar year. This arguably over-inclusive approach was largely driven by an Executive Order issued by then-Governor Wilson in 1997 (97-144), which required state agencies to identify each and every possible rulemaking action for an upcoming calendar year, with failure to so identify resulting in an inability to proceed on an unidentified rulemaking action unless Agency approval was specifically obtained. In addition, under a 1998 resolution adopted by the three-member FTB (Board), the release of any proposed regulation on the rulemaking calendar required specific approval by the Board at a public meeting.

Responding to concerns of various stakeholders, FTB staff has recently begun using interested parties meetings in advance of the commencement of any formal rulemaking process as a means to identify areas of public concern and potential approaches to achieve workable solutions. However, unlike regulation symposiums that were generally used in the past to solicit public input on draft regulatory language, interested parties meetings are usually conducted prior to the development of any draft language. However, consistent with prior practice, staff has sought Board approval prior to conducting an interested parties meeting for any possible regulation project.

A New Approach

The proposed rulemaking calendar for 2008 is generally similar to rulemaking calendars from prior years. It includes regulation projects currently pending and regulation projects that staff expects to pursue during 2008. However, there are two notable differences.

First, unlike previous rulemaking calendars that listed <u>every</u> possible regulation project that might be undertaken, the proposed rulemaking calendar for 2008 only lists new regulation projects that staff reasonably expects to initiate rulemaking action on during 2008.

Second, in addition to Board approval of the proposed rulemaking calendar for 2008, staff is also seeking Board approval to hold interested parties meetings for each new regulation project identified in the 2008 rulemaking calendar sometime during 2008. This does not in any way alter the Board's oversight of the rulemaking process, since prior to actually proceeding into the formal rulemaking process under the APA, staff will prepare a report for the Board of the interested parties meeting and request permission at that time to proceed into the formal APA rulemaking process in accordance with the 1998 Board resolution. A brief explanation of each new regulation project is attached.

Possible Board Action

Staff recommends the Board approve the proposed rulemaking calendar for 2008 and authorize the staff to conduct interested parties meetings for those new regulation projects identified therein.

New Regulation Projects for 2008

I. 2007 Statutory Changes

1. **AB 198 --** Regulation § 17942. AB 198 addressed the proper determination of income subject to the calculation of the LLC fee. The bill added an apportionment mechanism to the income determination. The mechanism is based on the sales factor numerator assignment rules found in Revenue and Taxation Code (R&TC) §§ 25135 and 25136 and the regulations thereunder, as well as the special industry regulations under R&TC § 25137. In addition, AB 198 excluded from the LLC apportionment scheme any throw-out rules found under R&TC §§ 25135, 25136 or 25137. Regulations will be necessary to provide guidance as to how this new apportionment scheme will function.

2. **Water's-Edge; Transfer Pricing Audits** -- Regulation § 25114. This project will involve amending Regulation § 25114 to incorporate statutory changes. Previously, R&TC § 25114(a) required the Franchise Tax Board to examine the returns filed by taxpayers pursuant to the water's-edge rules. If the Franchise Tax Board then determined that there was potential noncompliance, it was required to conduct a detailed examination under the federal transfer pricing rules of IRC § 482 unless the IRS was examining the taxpayer for the same years and issues. Newly enacted amendments to R&TC § 25114 have deleted the requirement to conduct a detailed examination in cases of potential noncompliance.

II. Existing Statutes

1. **Conform to IRS Changes --** Regulation § 18407. On September 17, 2007, the Internal Revenue Service (IRS) adopted final regulations under Internal Revenue Code (IRC) § 6011, which added a new category of reportable transactions called transactions of interest. A transaction of interest is a transaction that the IRS and Treasury Department believe has a potential for tax avoidance or evasion, but for which the IRS and the Treasury Department lack enough information to determine whether the transaction should be identified specifically as a tax avoidance transaction. The IRS will identify types of transactions by notice, regulation, or other form of published guidance as transactions of interest. Due to California's conformity to IRC § 6011 and the regulations thereunder, the federal transactions of interest will be reportable transactions under California law.

R&TC § 18407 grants the FTB the authority to list tax avoidance transactions and to determine reportable transactions that have the potential for tax avoidance or evasion. The purpose of proposed Regulation section 18407 is to allow FTB to identify its own transactions of interest apart from those identified at the federal level. Identification of transactions of interest will allow FTB to put taxpayers on notice of questionable transactions and to gather information about those transactions without triggering the more burdensome requirements and penalties associated with listed transactions.

2. **Update and renumber existing regulation relating to federal adjustments** -- Regulation §18622. Existing Regulation section 19059 will be renumbered and updated to specify how and when reports of federal adjustments should be made to FTB in a variety of circumstances, notably where the adjustment to federal income or to other return items occurs in a different tax year than the resulting California tax change, where a federal audit results in no change to federal tax liability, and what California adjustments result from a federal determination. The scope of this regulation may be expanded to include refunds or credits, and carryover adjustments, as well as assessments of additional California tax.

3. **Conform to IRS practices --** Regulation §§ 19131 and 19132. The IRS abates penalties with a reasonable cause defense on a one-time basis when the taxpayer has an excellent filing and payment history. Without similar authority, FTB is placed in the position of having to impose penalties for conduct that the IRS has excused on a one-time basis solely because of the taxpayer's excellent filing and payment history. One approach would be for the proposed regulation under R&TC § 19131 to specify that the FTB may similarly abate penalties with a reasonable cause defense on a one-time basis when the taxpayer has an excellent history of compliance. The same principle might also apply to R&TC § 19132 for late payment.

4. **Form of Refund Claim** -- Regulation § 19322. The current regulation would be updated to remove outdated references and to clarify how claims for credit or refund should be filed. This could include clarification of the current substantiation requirement so that any resulting overpayment can be computed.

5. **Update fees for providing certain services** -- Regulation § 19591. FTB is required by statute to establish by regulation amounts to be charged, including changes to those amounts, for specified tax service fees based on FTB's direct costs for providing these services. The services include all installment payment programs and expedited services for corporation reviver requests, tax clearance certificate requests and tax-exempt status requests.

6. **AB 263** -- Regulation §§ 24410, 24425, 24465 and 24900. In 2004, Assembly Bill 263 revised R&TC §§ 24410 and 24425 and added new R&TC §§ 24465 and 24900. This legislation was originally introduced in response to the uncertainty created with respect to the dividends-received deduction under R&TC § 24410 relating to dividends received from insurance companies as a result of the Court of Appeal's decision in *Ceridian Crop. v. Franchise Tax Board* (2000) 85 Cal.App.4th 875. During the AB 263 legislative process, certain "stuffing" and related concerns involving the use of insurance companies to avoid the California franchise tax were identified by FTB staff, and many of the changes to existing law made by AB 263 were designed to address those concerns. However, many of these statutory changes are extraordinarily complex, and regulations, which were anticipated during the legislative process to be necessary, to further interpret and provide guidance to taxpayers and the department, need to be developed.

7. **Water's-Edge Contracts** -- Regulation §§ 25111 and 25113. This project will involve amending Regulation § 25111 and promulgating a regulation under R&TC § 25113 to incorporate statutory changes. A few years ago, the method of making water's-edge elections was changed from requiring taxpayers to enter into a contract under the provisions of R&TC § 25111 to requiring taxpayers to elect to file using a water's-edge method under the provisions of a new statute, R&TC § 25113.

8. **Exclude sales and excise taxes** -- Regulation § 25134(a)(1)(A). This project will involve the question of whether federal and state excise taxes (including sales taxes and value added taxes) should be removed in total (or in part) from the calculation of the sales factor of the apportionment formula.

III. Special Formula Regulations Under R&TC 25137 – Updates

The following are special formula regulations that the department is reviewing in light of the SBE's decision in the *Alaska Airlines* case. Staff has identified several issues where the wording of the regulations may need clarification or amendment.

1. Regulation § 25137-1 (Apportionment and Allocation of Partnership Income)
2. Regulation § 25137-10 (Combination of General (Non-Financial) and Financial Corporations)
3. Regulation § 25137-11 (Allocation and Apportionment of Income of Trucking Companies)

2008 Rulemaking Calendar Summary

New Regulation Projects

Interested Parties Meetings– Board Approval Requested

I. 2007 Statutory Changes

1. **AB 198** § 17942 (Limited Liability Company Fees)
2. **Water's-Edge; Transfer Pricing Audits** § 25114 (Presumptions Arising from Federal Audits)

II. Existing Statutes

1. **Conform to IRS changes** § 18407 (Reportable Transactions)
2. **Update and renumber existing regulation** § 18622 (Adjustments Based on Federal Action)
3. **Conform to IRS practices** §§ 19131 and 19132 **(**Failure to File a Return and Failure to Pay Tax)
4. **Form of Refund Claim** § 19322 (Refund Claims)
5. **Update fees for providing certain services** § 19591 (Specialized Tax Service Fees)
6. **AB 263**
   § 24410 (Dividend-Received Deductions Regarding Insurance Companies)
   § 24425 (Deductions for Certain Expenses Paid to Insurer in Commonly Controlled Group)
   § 24465 (Transfers of Property to Insurance Companies)
   § 24900 (Deemed Dividends from an Insurance Company
7. **Water's-Edge Contracts -** §§ 25111 and 25113 (Water's-Edge Election)
8. **Exclude sales and excise taxes** § 25134(a)(1)(A) (Sales Factor – Federal and State Excise Taxes)

III. Special formula regulations under R&TC 25137 – Updates

1. § 25137-1 (Apportionment and Allocation of Partnership Income)
2. § 25137-10 (Combination of General (Non-Financial) and Financial Corporations)
3. § 25137-11 (Allocation and Apportionment of Income of Trucking)

Previously Approved Regulation Projects

Interested Parties Meetings Scheduled

§ 25128 (Apportionment of Business Income)
§ 25136 (Sales Factor, Sales Other Than Sales of Tangible Personal Property in This State)
§ 25137-8 (Motion Picture and Television Film Producers and Television Networks – Apportionment of Income)
§ 25137-12 (Print Media)

Interested Parties Meeting Held

§§ 25101.3 and 25137-7 (Airlines Property and Airlines)

Pending Agency approval/OAL publication of proposed regulation

§§ 24411 and 25106.5-1 (Ordering of Dividend Payments and Intercompany Transactions)

Proposed Regulation (Pre-APA Hearing)*

§§ 18662-0 through 18662-8, 18662-11 through 18662-14, 19002 (Withholding at Source Requirements and Credit for Tax Withheld)

Final Regulation (Post-APA Hearing)*

§ 25137(c)(1)(D) (Special Rules – Sales Factor)

* Separate Agenda Items

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE A: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED DURING THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Limited Liability Company Fees	Title 18, Section 17942	Rev. and Tax. Code Section 17942 (As revised by AB 198)

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Natasha Page, (916) 845-6729 Carl Joseph, (916) 845-5151	06/08	09/08	01/09	05/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Reportable Transactions	Title 18, Section 18407	Rev. and Tax. Code Section 18407

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Terry Collins, (916) 845-7266	06/08	09/08	01/09	04/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Adjustments Based on Federal Action	Title 18, Section 18622	Rev. and Tax. Code Section 18622

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Diane Ewing, (916) 845-6836	05/08	08/08	11/08	01/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Withholding at Source Requirements and Credit for Tax Withheld	Title 18, Sections 18662-0 through 18662-8 and 18662-11 through 18662-14, 19002	Rev. and Tax. Code Sections 18662 and 19002

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Bruce Langston, (916) 845-3337	01/08	03/08	06/08	08/08

Report on the status of all uncompleted rulemaking described on previous calendars:

Interested parties meeting held. Waiting for Board direction to proceed further.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Failure to File a Return and Failure to Pay Tax	Title 18, Sections 19131 and 19132	Rev. and Tax. Code Sections 19131 and 19132

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Craig Scott, (916) 845-6510	05/08	08/08	11/08	01/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Refund Claims	Title 18, Section 19322	Rev. and Tax. Code Section 19322

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Craig Scott, (916) 845-6510	05/08	08/08	11/08	01/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Specialized Tax Service Fees	Title 18, Section 19591	Rev. and Tax. Code Section 19591

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Bruce Langston, (916) 845-3337	06/08	08/08	11/08	02/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Dividend-Received Deductions Regarding Insurance Companies	Title 18, Sections 24410, 24425, 24465 and 24900	Rev. and Tax. Code Sections 24410, 24425, 24465 and 24900 (As revised by AB 263)

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Renel Sapiandante, (916) 845-5508	06/08	09/08	12/08	02/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Ordering of Dividend Payments and Intercompany Transactions	Title 18, Sections 24411 and 25106.5-1	Rev. and Tax. Code Sections 24411 and 25106.5

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Craig Swieso, (916) 845-5244	03/08	05/08	08/08	10/08

Report on the status of all uncompleted rulemaking described on previous calendars:

Interested parties meeting held. Waiting for Board direction before proceeding further.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Airlines and Airlines Property	Title 18, Sections 25101.3 and 25137-7	Rev. and Tax. Code Section 25101.3 and 25137

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Brian Miller, (916) 845-3075	03/08	06/08	10/08	12/08

Report on the status of all uncompleted rulemaking described on previous calendars:

Interested parties meeting held. Waiting for Board direction before proceeding further.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Water's-Edge Election	Title 18, Sections 25111 and 25113	Rev. and Tax. Code Sections 25111 and 25113

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Karen Smith, (916) 845-3347 Craig Swieso, (916) 845-5244	06/08	09/08	01/09	04/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE A: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED DURING THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Presumptions Arising from Federal Audits	Title 18, Section 25114	Rev. and Tax. Code Section 25114

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Craig Swieso, (916) 845-5244 Karen Smith, (916) 845-3347	06/08	09/08	12/08	02/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Apportionment of Business Income	Title 18, Section 25128	Rev. and Tax. Code Section 25128

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Marguerite Mosnier, (916) 845-6984	04/08	07/08	11/08	02/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Staff will hold an interested parties meeting in January 2008.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Sales Factor (Federal and State Excise Taxes)	Title 18, Section 25134(a)(1)(A)	Rev. and Tax. Code Section 25134

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Carl Joseph, (916) 845-5151	05/08	07/08	10/08	01/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Sales Factor. Sales Other Than Sales of Tangible Personal Property in This State	Title 18, Section 25136	Rev. and Tax. Code Section 25136

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Melissa Wulff, (916) 845-7831	03/08	06/08	10/08	12/08

Report on the status of all uncompleted rulemaking described on previous calendars:

Staff will hold an interested parties meeting in the spring of 2008.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Special Rules – Sales Factor	Title 18, Section 25137(c)(1)(D)	Rev. and Tax. Code Section 25137

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Carl Joseph, (916) 845-5151	06/07	08/07	11/07	01/08

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending approval of final regulation.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Apportionment and Allocation of Partnership Income	Title 18, Section 25137-1	Rev. and Tax. Code Section 25137

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Marguerite Mosnier, (916) 845-6984 Norm Scott, (916) 845-7632	05/08	07/08	10/08	12/08

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Motion Picture and Television Film Producers and Television Networks – Apportionment of Income	Title 18, Section 25137-8	Rev. and Tax. Code Section 25137

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Carole Rouin, (916) 845-5315	04/08	06/08	10/08	12/08

Report on the status of all uncompleted rulemaking described on previous calendars:

Staff will hold an interested parties meeting in January 2008.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Combination of General (Non-Financial) and Financial Corporations	Title 18, Section 25137-10	Rev. and Tax. Code Section 25137

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Sarah La Spina, (916) 845-3916 Norm Scott, (916) 845-7632	06/08	09/08	12/08	02/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Allocation and Apportionment of Income of Trucking Companies	Title 18, Section 25137-11	Rev. and Tax. Code Section 25137

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Laurie McElhatton, (916) 845-6916	06/08	09/08	12/08	02/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Pending Board approval to hold interested parties meeting.

FRANCHISE TAX BOARD
2008 RULEMAKING CALENDAR

SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING STATUTES ENACTED PRIOR TO THE YEAR 2007

Subject:	CCR Title & Sections Affected:	Statutes Being Implemented:
Print Media	Title 18, Section 25137-12	Rev. and Tax. Code Section 25137

Responsible Agency Unit:	Contact Person & Phone Number:	Projected Dates:			
		Notice:	Hearing:	Adoption:	To OAL:
Legal Division	Carole Rouin, (916) 845-5315 Marguerite Mosnier, (916) 845-6984	04/08	06/08	10/08	01/09

Report on the status of all uncompleted rulemaking described on previous calendars:

Staff will hold an interested parties meeting in January 2008.