

**FRANCHISE TAX BOARD  
MINUTES  
FEBRUARY 25, 2004**

The Franchise Tax Board met in open session at 2:00 p.m. at the State Board of Equalization, 450 N Street, Hearing Room 121, Sacramento, California. Present were Hon. Steve Westly, Betty T. Yee, representing Hon. Carole Migden, and Connie Squires, representing Hon. Donna Arduin.

**Franchise Tax Board**

**Staff Participating:** Gerald H. Goldberg, John W. Davies, Donald L. Buxton, Lisa Crowe, Brian Putler, Titus Toyama, Lisa Garrison, Mike Brownell, Jeffrey Margolis, Patrick Kusiak, Ben Miller, and Claudette Romo.

**Others Participating:** Prentiss Wilson, Jr., Ernst & Young; Michelle Chang, Ernst & Young; Christopher J. Matarese, Esq., Ajalat, Polley & Ayoob; and J. Pat Powers, Esq., Baker and McKenzie.

**Item 1. - Approval of Board Minutes**

The minutes of the December 2, 2003, Franchise Tax Board meeting and of the Taxpayers' Bill of Rights Hearing were unanimously approved.

**Item 2. - Legislative Matters**

The following positions for bills were approved 2-0 (Ms. Squires abstaining):

AB 79	Support
AB 214	Support
AB 658	Support
AB 1283	Support
AB 1338	Support if Amended
SB 438	Support
SB 1147	Support

**Item 3. - NetFile/E-File**

The Board received a report from Lisa Crowe regarding electronic filing.

**Item 4. - Regulation Matters**

2004 Rulemaking Calendar

The Board unanimously approved the 2004 Rulemaking Calendar.

**Item 5. – Abusive Tax Shelter Program/Voluntary Compliance Initiative**

Lisa Garrison provided the Board with an update on the Abusive Tax Shelter Program.

**Item 6. – Revenue & Taxation Code Section 25137 Petitions**

a. Alpine Electronics

The Board voted unanimously to deny this petition.

b. Infosys Technology Ltd.

The Board voted unanimously to deny this petition.

**Item 7. – Child Support**

The Board received an update from Mr. Goldberg regarding the automated statewide child support system.

**Item 8. – Streamlined Sales Tax Project**

The Board voted 2-0 (Ms. Squires withholding) to ratify the Controller's involvement as the Board's representative for the Streamlined Sales Tax Project.

**Item 9. – Administrative Matters**

a. Contracts Over \$1 Million - IBM – Request for Board Approval

The Board unanimously approved this contract.

b. FY 04/05 Finance Letters

No action taken by the Board on this item.

c. Finance Letter #5 – Real Estate Withholding Program – Extension of Limited-Term Positions

The Board voted 2-0 (Ms. Squires withholding) to approve this Finance Letter.

**Item 10. – Executive Officer's Time**

There was no discussion under this Agenda item.

**Item 11. – Board Members' Time**

There was no discussion under this Agenda item.

**Announcement Regarding Closed Session**

Deputy Controller Marcy Jo Mandel announced the agenda for the Closed Session pursuant to Government Code section 11126.3.

Ms. Mandel adjourned the open session in the memory of Gerhart Van Littman, a member of Ms. Yee's family, who passed away on December 8, 2003.

The meeting was adjourned at 3:24 p.m.

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Board Secretary

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Date