

FRANCHISE TAX BOARD  
MINUTES  
MARCH 8, 2012 MEETING

The Franchise Tax Board met in open session at 1:30 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. Jerome E. Horton, and Chief Deputy Director Pedro Reyes for Hon. Ana J. Matosantos.

**Franchise Tax Board**

**Staff Participating:** Selvi Stanislaus, Geoffrey R. Way, Patrick Kusiak, Scott Reid, Paul Ogden, Cathy Cleek, Jeanne Harriman, Doug Barish, Lisa Garrison, and Colleen Berwick.

**Item 1. – Approval of Minutes**

The minutes of the December 1, 2011, Franchise Tax Board meeting and Taxpayers' Bill of Rights hearing were approved 3-0.

**Item 2. – Tax Gap Estimate**

The Board received a staff report on the Franchise Tax Board's efforts to address California's Tax Gap.

**Item 3. – Annual EDR Update**

The Board received a staff report on the EDR project.

**Item 4. – Building a Strong Organization – Employee Development**

The Board received a staff report on the strong organizational culture of the Franchise Tax Board and the idea of developing its employees as leaders.

**Item 5. - Department of Revenue Proposal**

The Board received a staff report on the consolidation of the Employment Development Department and the Franchise Tax Board as the Department of Revenue.

**Item 6. – Regulation Matters**

Proposed Regulation 17942 (LLC Fees) – Staff report and possible Board action.

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

**Item 7. – Administrative Matters**

- a. 2012/13 Finance Letter.
  - 1. Voluntary Contribution Funds – Board approval.

The Board voted 2-0 (Pedro Reyes abstaining) to approve the Finance Letter.

b. Facilities Action Item.

1. IBM Passport Advantage Annual Maintenance Renewal – Board approval.

The Board voted unanimously (3-0) to approve the amendment to the Board action that took place in July of 2011.

**Item 8. – Executive Officer's Time**

There was no discussion under this Agenda item.

**Item 9. – Board Members' Time**

There was no discussion under this Agenda item.

Ms. Mandel announced the agenda for and the Board convened in Closed Session commencing at 2:35 p.m. pursuant to Government Code section 11126.3.

The Board reconvened in open session and adjourned the meeting at 2:53 p.m.

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Board Liaison

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Date