

FRANCHISE TAX BOARD  
MINUTES  
JUNE 7, 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 and Chief Deputy Director Pedro Reyes for Hon. Ana J. Matosantos. Also present was Tax Counsel Robert Thomas representing Hon. Jerome E. Horton.

**Franchise Tax Board**

**Staff Participating:** Selvi Stanislaus, Geoffrey R. Way, Patrick Kusiak, Scott Reid, Jeanne Harriman, Jaclyn Appleby, Ciro Immordino, Sandee Lee, William Shea, Karen Thomas, and Colleen Berwick.

**Others Participating:** David R. Doerr, California Taxpayers Association.

Tax Counsel Robert Thomas announced that he will not be voting on items for approval on behalf of Member Horton.

**Item 1. – Approval of Minutes**

The minutes of the March 8, 2012, Franchise Tax Board meeting were approved 2-0.

**Item 2. – Filing Season Update**

The Board received a staff report on Franchise Tax Board's Filing Season Update.

**Item 3. – The Tax Gap, The Underground Economy, And The Criminal Element**

The Board received a staff report on California's tax gap as a result of updated IRS information and an overview of the responsibilities of the Criminal Investigation Bureau.

**Item 4. – Financial Institution Record Match (FIRM) Project Update**

The Board received a staff report and update on the Financial Institution Record Match (FIRM) Project.

The Board heard from the following member of the public regarding this Agenda item:

David R. Doerr – California Taxpayers Association

**Item 5. – Regulation Matters**

a. Proposed Regulation 17052.6 (Child and Dependent Care Expenses Credit) – Staff report and possible Board action.

The Board received a staff report on the proposed regulation and voted 2-0 to approve the staff request to proceed with the formal regulatory process.

b. Proposed Regulation 23663 (Assignment of Credits to Combined Group Members) – Staff report and possible Board action.

The Board received a staff report on the proposed regulation and voted 2-0 to approve the staff request to proceed with interested parties meetings.

**Item 6. – Administrative Matters**

a. 2013/14 Proposed Budget Change Proposals – Information items.

1. Enterprise Date to Revenue Project.
2. Audit Workload Growth.

The Board received a staff report for information purposes only.

b. Facility Action Item – Board approval.

FTB Criminal Investigations Bureau Alterations at the Central Office Campus.

The Board voted 2-0 to approve the Facility Action Item.

**Item 7. – Executive Officer's Time**

There was no discussion under this Agenda item.

**Item 8. – 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 2:25 p.m. pursuant to Government Code section 11126.3.

The Board reconvened in open session and adjourned the meeting at 2:59 p.m.

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Board Liaison

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Date