

FRANCHISE TAX BOARD
MINUTES
JUNE 27, 2007 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 Hon. John Chiang, Deputy Controller Marcy Jo Mandel, Hon. Betty T. Yee, and Mark Hill representing Hon. Michael C. Genest.

Franchise Tax Board

Staff Participating: Selvi Stanislaus, John W. Davies, Patrick Kusiak, Ben Miller, Lisa Garrison, Cathy Cleek, Bruce Langston, Brian Putler, and Colleen Berwick.

Others Participating: No member of the public made a presentation to the Board.

Item 1. – Approval of Minutes

The minutes of the April 4, 2007, Franchise Tax Board meeting were unanimously approved (3-0).

Item 2. – Legislative Matters

a. Bills for Position

The Board voted 2-0 (Mark Hill, on behalf of Member Genest, abstaining) to support the following bills:

- AB 969 - Require Taxpayers to Report & Pay Use Tax on Income Tax Forms
- SB 38 - Disaster Loss Deduction and Excess Loss Carryover for October 2006
Riverside County Wildfires
- SB 114 - Disaster Loss Deduction and Excess Loss Carryover for Specified Counties
for January, 2007, Freezing Conditions
- SB 920 - Disclosure of State Income Tax Data to State Controller's Office
- SB 978 - Require Cities to Report City Business Tax Data to FTB

b. Conformity Bill

The Board voted 2-0 (Mark Hill, on behalf of Member Genest, abstaining) to sponsor the bill.

Item 3. – UDITPA Rewrite

The Board received a staff report regarding the effort of the National Conference of Commissioners on Uniform State Laws to update the Uniform Division of Income for Tax Purposes Act (UDITPA).

Item 4. – Regulation Matters

Draft Proposed Regulations 18662 (Withholding at Source) and 19002 (Withheld Tax to be Used as Credit Against Tax Owed).

The Board received a staff report and voted unanimously (3-0) to approve the staff request to hold an interested parties meeting.

Item 5. – Child Support

The Board received a staff report on the status of the Child Support project.

Item 6. – Administrative Matters

- a. Contracts over \$1 million – Roll Paper Contract – Board approval.
The Board voted unanimously (3-0) to approve this contract.
- b. Space Action Requests (Form 9) – Board approval.
The Board voted unanimously (3-0) to approve the requests.
- c. FY 2007/08 Budget Highlight Summary – Information item.
The Board received a summary of the adjustments to the department's FY 2006/07 budget that build the budget for 2007/08.
- d. Summary of FY 2008/09 BCP Concepts – Information item.
The Board received a summary of the department's BCP concepts currently under development for 2008/09.

Item 7. – Tax Systems Modernization

The Board received a staff report on the FTB tax systems modernization effort.

Item 8. – Executive Officer's Time

Selvi Stanislaus discussed the use of Business Process Reengineering to achieve efficiencies in two areas: 1) personnel hiring processes; and 2) docketed protest processes.

Item 9. – Board Members' Time

Chair Chiang presented Chief Counsel John W. Davies with a resolution on behalf of the Board members for his 30 years of dedicated State service.

Member Yee presented Chief Counsel John W. Davies with a resolution on behalf of Secretary of State Debra Bowen for his 30 years of dedicated State service.

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Mark Hill (representing Member Genest) presented Chief Counsel John W. Davies with a letter by Governor Schwarzenegger on behalf of all Californians congratulating him for his State service.

John W. Davies thanked the Board, staff, and the public for all their help and support.

The Chair announced the agenda for and the Board convened in Closed Session commencing at 2:13 p.m. pursuant to Government Code section 11126.3.

The Board reconvened in Open Session and adjourned the meeting at 2:36 p.m.

Board Liaison

Date