

FRANCHISE TAX BOARD
MINUTES
SEPTEMBER 20, 2006 MEETING
(Revised)

The Franchise Tax Board met in open session at 1:30 p.m. at the State Board of Equalization, 450 N Street, Hearing Room 121, Sacramento, California. Present were Deputy Controller, Marcy Jo Mandel representing Hon. Steve Westly, Hon. John Chiang, and Hon. Michael C. Genest.

Franchise Tax Board

Staff Participating:

Selvi Stanislaus, John W. Davies, Patrick Kusiak, Anne Miller, Cathy Cleek, Mark Shijo, Ben Miller, and Colleen Berwick.

Others Participating:

Whitney MacDougall, Intuit, Inc.; Atilla Taluy, FileYourTaxes.com; Lenny Goldberg, California Tax Reform Association; Jim Hawley, TechNet; C.C. Chen, eSmartTax.com; Scott Baugh, Computer & Communications Industry Association; Alan Pasetky, Organization for International Investment (OFII); Greg Turner, Nielsen-Merksamer (Representing OFII); and Kerne Matsubara, Pillsbury, Whitman, Shaw and Pittman.

Item 1. – Approval of Board Minutes

The minutes of the June 19, 2006, Franchise Tax Board meeting were unanimously approved (3-0).

Item 2. – ReadyReturn

The Board received a staff report on the ReadyReturn project.

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

Atilla Taluy, FileYourTaxes.com
Jim Hawley, TechNet
C.C. Chen, eSmartTax.com
Lenny Goldberg, California Tax Reform Association
Scott Baugh, Computer & Communications Industry Association
Whitney MacDougall, Intuit

The Board voted unanimously (3-0) to direct staff to return to the Board with a proposal concerning ReadyReturn and an analysis of an array of options to reduce the filing burden for low- and middle-income taxpayers.

Item 3. – Taxpayer Data Access

The Board heard from staff regarding the Taxpayer Data Access program.

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

Lenny Goldberg, California Tax Reform Association
Atilla Taluy, FileYourTaxes.com
Whitney MacDougall, Intuit

The Board voted unanimously (3-0) to approve the staff recommendation.

Item 4. – Regulation Matters

- a. Draft Proposed Regulation 25110(d)(2)(F) – Staff reports and possible Board action.
 - i. Deductions with Respect to Non-Effectively Connected Income.
 - ii. APA petition – U.S. income does not include certain income.

The Board received a staff report on this Agenda item.

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

Alan Pasetky, OFII
Greg Turner, Nielsen, Merksamer – representing OFII
Kerne Matsubara, Pillsbury Winthrop Shaw Pittman LLP

The Board voted 2-0-0 (Member Chiang did not participate) to approve the staff recommendation to proceed with the OFII petition.

- b. Proposed Regulation 25137-13 (Telcommunications) – Permission to reexamine need for a regulation.

The Board voted unanimously (3-0) to approve the staff request to reexamine the need for a regulation.

Item 5. – California Child Support Automation System (CCSAS)

The Board received a staff report on the child support project.

Item 6. – Administrative Matters

FY 07/08 BCPs

The Board approved all eight BCPs with a 2-0 vote (Member Genest abstaining).

Item 7. – Executive Officer's Time

The Executive Officer presented the Board with an update on the Volunteer Income Tax Assistance (VITA) program and a report on the Protest Process Re-Engineering effort to shorten processing times for docketed protests.

Item 8. – Board Members' Time

There was no discussion under this Agenda item.

The Chair announced the agenda for and the Board reconvened in Closed Session commencing at 3:00 p.m. pursuant to Government Code section 11126.3.

The Board reconvened in Open Session and adjourned the meeting at 4:03 p.m.

Board Liaison

Date