

FRANCHISE TAX BOARD
MINUTES
DECEMBER 4, 2008 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. Judy Chu, Ph.D., and Hon. Michael C. Genest. As noted below, Hon. John Chiang, chair, arrived during the meeting.

Franchise Tax Board

Staff Participating: Selvi Stanislaus, Geoffrey S. Way, Patrick Kusiak, Lisa Garrison, Karen Smith, Steve Sims, Brian Putler, and Colleen Berwick.

Others Participating: Melissa Anderson, California Budget Project; Catherine Apker, CSEA; Roland Boucher, United Californians for Tax Reform; Michelle Ferreira, Holme Roberts & Owen; Lenny Goldberg, California Tax Reform Association; Gina Rodriguez, Spidell Publishing; David Shaw, California Society of Enrolled Agents; and John Woodford, California Society of CPAs.

Item 1. – Approval of Minutes

The minutes of the September 4, 2008, Franchise Tax Board meeting were unanimously approved (3-0).

Item 2. – Legislative Matters

Legislative Proposals – Possible Board action.

The Board received a brief summary of the five legislative proposals.

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

Catherine Apker – CSEA

The Board voted 2-0 (Member Genest abstaining) to approve the following proposals:

LP 09-16 – Notification To Professional Licensing Board When Certain Penalties Are Assessed

LP 09-18 – Limited Partnership Revival-Account Fees, Tax Returns, and Expedited Service Fees

LP 09-24 – Homeowner's and Renter's Assistance (HRA)/Validate HRA Disability Claims by Requiring That Claimants Receive Disability Payments Under Specified Federal or State Programs

LP 09-26 – Homeowner's and Renter's Assistance (HRA)/Extend Tolling Period For Medically Incapacitated Claimants

LP 09-27 – Use of IRS Data Regarding Waivers Of The Federal Statute Of Limitations

Following consideration of this Item, the Board took up Item 4. – Administrative Matters.

Item 4. – Administrative Matters

- a. Enterprise Date to Revenue BCP – Board approval.

The Board voted 2-0 (Member Genest abstaining) to approve the BCP.

- b. Contracts over \$1 million – Board approval.

During consideration of Item 4.b. – Contracts over \$1 million, Hon John Chiang arrived and assumed the duties of chair for the remainder of the meeting.

The Board voted 3-0 to approve the contracts.

- c. Budget Act Highlights – Information item.

The Board received a staff report.

Following the conclusion of this matter, the Board took up Item 3, Regulation Matters.

Item 3. – Regulation Matters

- a. 2009 Rulemaking Calendar – Board approval.

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

Melissa Anderson – California Budget Project
Lenny Goldberg – California Tax Reform Association

The Calendar was approved unanimously (3-0). The Board voted unanimously (3-0) to direct staff to proceed with an interested parties meeting for draft Regulation 24451 and bring it back at the next Board meeting.

- b. Proposed Regulation Section 25114 (Presumption Arising from Federal Audits) - Staff report and possible Board action.

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

Following the conclusion of this Item, the Board took up Item 5. – Taxpayers' Bill of Rights.

Item 5. – Taxpayers' Bill of Rights

See attached Taxpayers' Bill of Rights Hearing, Franchise Tax Board, Minutes, December 4, 2008.

Item 6. – Executive Officer's Time

There was no discussion under this Agenda item.

Item 7. – Board Members' Time

The Board members presented commendations to Jim Yates for his service at FTB.

The Board adjourned the meeting at 2:41 p.m.

Board Liaison

Date