

FRANCHISE TAX BOARD
MINUTES
DECEMBER 5, 2012 MEETING

The Franchise Tax Board met in open session at 1:42 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, Carl Joseph, Patrick Kusiak, Lisa Garrison, Cathy Cleek, Gail Hall, Steve Sims, and Colleen Berwick.

Others Participating: Barry Weissman, Chevron.

Item 1. – Approval of Minutes

The minutes of the September 5, 2012, Franchise Tax Board meeting were unanimously approved (3-0).

Item 2. – Annual EDR Update

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

Item 3. – Legislative Proposals

Legislative Proposals – Staff report and Board approval.

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

LP A – Equal Tax Treatment of Nonqualified Foreign Limited Liability Companies (LLCs) for Contract Voidability.

LP B – Repeal Tax Clearance Requirement for Specified Estates with Nonresident Beneficiaries.

LP C – Allow Use of Financial Institution Record Match (FIRM) Address Information for Tax Administration Purposes.

LP D – Tax-Data Sharing Between the Franchise Tax Board (FTB) and Cities—Repeal Sunset.

LP E – Electronic Communications.

Item 4. – Regulation Matters

a. 2013 Rulemaking Calendar – Board approval.

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

Barry Weissman – Chevron.

The Board voted unanimously (3-0) to approve the Rulemaking Calendar as amended pursuant to Mr. Weissman's comment.

Item 5. – Administrative Matters

a. 2013/14 Budget Change Proposal – Board approval.

1. BCP #3 – Voluntary Contribution Funds.

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

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

1. Computer Associates, Inc.

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

c. Facility Action Item – Board approval.

1. West Covina and Sacramento Field Offices Lease Renewals.

The Board voted unanimously (3-0) to approve the Facility Action Item.

Item 6. – Taxpayers' Bill of Rights Hearing

See attached Taxpayers' Bill of Rights Hearing, Franchise Tax Board, Minutes, December 5, 2012.

Item 7. – Executive Officer's Time

Selvi Stanislaus discussed the four goals of Franchise Tax Board's Strategic Plan. Ms. Stanislaus also announced that the procurement area won the Excellence and Leadership in Procurement award for consistently exceeding mandated participation requirements pertaining to the State's Small Business and Disabled Veteran Business Entity program.

Item 8. – Board Members' Time

The Board members presented a Resolution to Titus Toyama commending him on the occasion of his retirement and for his service at FTB.

The Deputy Controller 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 3:16 p.m.

Board Liaison

Date