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FTB NOTICE 98-8

April 30, 1998

**SUBJECT: DRAFT REGULATION SYMPOSIUM—APPORTIONMENT OF INCOME
PROPOSED ADDITION TO 18 CAL. CODE REGS. SEC. 25137
NET GAINS FROM SALE OF CERTAIN INTANGIBLES**

In FTB Notice 98-1, January 6, 1998, the staff of the Franchise Tax Board released a discussion draft regulation dealing with the sales factor treatment of amounts received from the sale of certain intangibles. The proposed regulation, if adopted, will be added to 18 Cal. Code Regs. section 25137. The draft regulation would apply to gains and losses on the sale of liquid assets held in connection with one or more treasury functions of the taxpayer. Only the overall net gain from the sale, exchange or other disposition of liquid assets producing business income would be included in the sales factor.

A number of comments have been received. In addition, the department has received requests for a public discussion forum for these draft regulations.

In response to such requests, the department will hold a symposium to discuss the discussion draft addition to the regulation on June 23, 1998, at the Franchise Tax Board, Central Office, 9645 Butterfield Road, Sacramento, CA, in Room 1040 of Phase II, beginning at 10:00 a.m.

If the discussion draft of the regulation is officially noticed, symposium comments will be entered into the regulation record. Participants may comment without name attribution. A summary of the symposium will be made available to all participants, and will also be entered into the regulation record, if any. If you have any questions regarding the symposium, contact Ms. Beverly Moore at (916) 845-3354 (E-mail: bev_moore@ftb.ca.gov).

Drafting Information

The principal author of this notice is Kathleen Andleman of the Franchise Tax Board, Legal Branch. For further information regarding this notice, contact Ms. Andleman at the Franchise Tax Board, Legal Branch, P.O. Box 1720, Rancho Cordova, CA 95741-1720.