

TITLE 18. FRANCHISE TAX BOARD

(Notice published September 19, 2016)

NOTICE OF PROPOSED EMERGENCY REGULATORY ACTION

Subject: Procedures and Standards on Requests for Release

Under Revenue and Taxation Code section 19195, the Franchise Tax Board (FTB) is required to publish, at least twice a year, a list of its top 500 tax delinquencies in excess of \$100,000 (Top 500 List). Under Business and Professions Code (BPC) section 494.5(c), FTB submits a list of the taxpayers on the Top 500 List to certain California state governmental licensing entities, and a taxpayer who is on that list will generally have an application for issuance of certain licenses denied and will generally have certain licenses suspended unless FTB provides the relevant governmental licensing entity with a release. BPC section 494.5 permits a taxpayer to request a release from FTB. FTB is proposing to adopt emergency regulations to provide procedures under which a taxpayer would be allowed a hearing on the issue of whether FTB must provide a release in connection with a request for release and to provide standards in determining whether that taxpayer has a current financial hardship that will enable that taxpayer to obtain such a release. The emergency regulations are proposed for adoption into California Code of Regulations, Title 18, Sections 19195-1 and 19195-2.

Government Code section 11346.1(a)(2) requires that, at least five working days prior to submission of the proposed emergency action to the Office of Administrative Law, the adopting agency provide a notice of the proposed emergency action to every person who has filed a request for notice of regulatory action with the agency. After submission of the proposed emergency to the Office of Administrative Law, the Office of Administrative Law shall allow interested persons five calendar days to submit comments on the proposed emergency regulation as set forth in Government Code section 11349.6. Upon filing, the Office of Administrative Law will have ten (10) calendar days within which to review and make a decision on the proposed emergency rule. If approved, the Office of Administrative law will file the regulations with the Secretary of State, and the emergency regulations will be effective for one hundred and eighty (180) days. Within the 180-day effective period, FTB will proceed with a regular rulemaking action, including a public-comment period. The emergency regulations will remain in effect during this rulemaking action.

Attached to this notice is the specific regulatory language of FTB's proposed emergency action and Finding of Emergency. All of these documents also may be viewed on FTB's website at the following address: https://www.ftb.ca.gov/Law/Regulatory_Activity.shtml

Any interested person may submit written comments relevant to the proposed regulatory action. The written comment period closes at 5:00 p.m. on September 26, 2016.

Comments may be submitted by email to Donny.Le@ftb.ca.gov or to:

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For questions regarding this proposed emergency action, please contact Donny P. Le at (916) 845-2459.