

**STATEMENT OF REASONS FOR SECTION 100 CHANGES TO  
REGULATION SECTIONS 23038(b)-2 and 23038(b)-3**

The proposed section 100 changes to the regulations are needed to conform the regulations to the statutory changes and to correct minor language and grammar.

Part 11 of Division 2 (and Chapter 2 of the same division) of the Revenue and Taxation Code has been amended to reflect statutory changes made by Stats. 2001, ch. 543 (SB 1185). Proposed changes to these regulations reflect this statutory change wherein “Bank and Corporation Tax Law” has been renamed to “Corporation Tax Law.” (See Regulation section 23038(b)-2, subsection (c)(2)(A), and Regulation section 23038(b)-3, subsections (a), (b)(4)(A), (c)(1) and (2).)

In Regulation section 23038(b)-3, subsection (a), the format of referenced Regulation section 23038(b)-2(b)(2) has been updated to reflect current California Style Manual and OAL rules.

Minor language changes for clarification and grammar have also been made in Regulation section 23038(b)-3, subsections (b)(4) and (c).