

FINAL STATEMENT OF REASONS
FOR THE ADOPTION OF AMENDMENTS TO CALIFORNIA CODE OF REGULATIONS,
TITLE 18, SECTION 25111, AND
FOR PROPOSED REGULATIONS, TITLE 18, SECTION 25113

The proposed amendments to the existing Regulation section 25111 and proposed Regulation section 25113 do not impose any mandate on local agencies or school districts.

Update of Initial Statement of Reasons

The public notice required by section 11346.4 of the Government Code was mailed and published on November 14, 2008. On January 12, 2009, a public hearing beginning at 10:00 a.m. was held at the Franchise Tax Board, 9646 Butterfield Way, Town Center Golden State Room A, Sacramento, California, to consider amendments to California Code of Regulations, title 18, section 25111 and proposed Regulation section 25113. As a result of comments received during the hearing process, the hearing officer made certain changes to the proposed Regulation section 25113. These changes included adding clarifying language in one subsection and the addition of an example in another subsection. These changes constituted sufficiently related changes within the meaning of Government Code section 11346.8 and nonsubstantial changes within the meaning of Government Code section 11346.8.

These sufficiently related changes were made available to the public for the 15-day period required by Government Code section 11346.8, subdivision (c), and California Code of Regulations, title 1, section 44. Written comments regarding these changes were accepted until 5:00 pm on February 17, 2009. No additional comments were received. Consequently, the department has not considered nor made any further revisions to the proposed Regulation section 25113.

Alternatives Determined

The Franchise Tax Board has not received any proposed alternatives that would be more effective in carrying out the purpose of the proposed amendments to Regulation section 25111 or proposed Regulation section 25113 or that would be as effective and less burdensome to affected private persons or small businesses than the proposed amendments and proposed regulation. In addition, the proposed amendments and proposed regulation pertain to corporate taxpayers and therefore do not affect private individuals.