

Assembly Bill No. 2480

CHAPTER 267

An act to repeal and add Section 19170 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 23, 2004. Filed with Secretary of State August 23, 2004.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2480, Campbell. Personal income tax and corporation tax: administration: e-filing.

Existing law imposes an income tax on individuals, businesses, and corporations. The Franchise Tax Board is the agency responsible for the collection and administration of these income taxes. Effective for income tax returns filed on or after January 1, 2004, all individual income tax returns prepared by specified income tax preparers that, during the prior calendar year, prepared more than 100 personal income tax forms, are required to be electronically filed in the subsequent calendar year, and each calendar year thereafter. Existing law imposes a penalty on a subject income tax preparer in the amount of \$50 for each personal income tax return that does not comply with this requirement.

This bill would repeal the penalty provision effective January 1, 2004, and would, instead, impose a similar penalty on specified income tax preparers for failure to file specified tax returns electronically on or after January 1, 2005.

This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 19170 of the Revenue and Taxation Code is repealed.

SEC. 2. Section 1 of this act is operative January 1, 2004.

SEC. 3. Section 19170 is added to the Revenue and Taxation Code, to read:

19170. (a) An income tax preparer that is subject to Section 18621.9 is liable for a penalty in the amount of fifty dollars (\$50) for each acceptable individual income tax return prepared by that income tax preparer that is not electronically filed, unless it is shown that the failure



to electronically file that acceptable individual income tax return is due to reasonable cause and not due to willful neglect.

(b) For purposes of this section, reasonable cause includes, but is not limited to, a taxpayer's election not to electronically file an acceptable individual income tax return in compliance with Section 18621.9.

(c) This section shall apply to acceptable individual income tax returns required to be filed on or after January 1, 2005.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide income tax preparers, that are subject to a penalty for each acceptable individual income tax return not filed electronically, with adequate time to comply with the new requirements for electronic filing of income tax returns, it is necessary that this act take effect immediately.

