

**State of California
Office of Administrative Law**

In re:
Franchise Tax Board

Regulatory Action:

Title 18, California Code of Regulations

Adopt sections:

Amend sections: 25136-2

Repeal sections:

NOTICE OF APPROVAL OF REGULATORY
ACTION

Government Code Section 11349.3

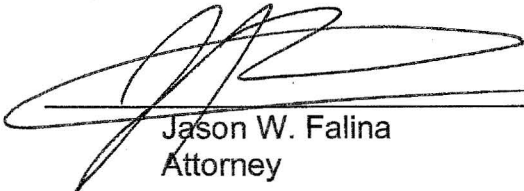
OAL Matter Number: 2025-0725-02

OAL Matter Type: Regular (S)

This regular rulemaking amends existing regulations for the assignment of sales under Revenue Tax Code §25136 which assigns sales, other than sales of tangible personal property, for purposes of apportioning business income.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 10/1/2025.

Date: August 27, 2025



Jason W. Falina
Attorney

For: Kenneth J. Pogue
Director

Original: Selvi Stanislaus, Executive
Officer

Copy: Hanna Cho and Red Gobuty

NOTICE PUBLICATION/REGULATION SUBMISSION

STD. 400 (REV. 10/2019)

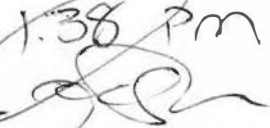
REGULAR

For use by Secretary of State only

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2024-0830-04	REGULATORY ACTION NUMBER 2025-0725-02	EMERGENCY NUMBER S
For use by Office of Administrative Law (OAL) only			
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY Franchise Tax Board			

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

AUG 27 2025

1:38 PM


A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Market-Based Rules		TITLE(S) 18	FIRST SECTION AFFECTED 25136-2	2. REQUESTED PUBLICATION DATE September 13, 2024
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON Hanna Cho		TELEPHONE NUMBER 916-845-7298
FAX NUMBER (Optional)		NOTICE REGISTER NUMBER 2024, 37-2		PUBLICATION DATE 9/13/24
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn			

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Market-Based Rules		1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)	
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)			
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)		ADOPT	
AMEND		Section 25136-2	
REPEAL			
3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> File & Print <input type="checkbox"/> Print Only			
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b)) <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1) <input type="checkbox"/> Other (Specify) _____			
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1) 1/6/25-2/5/25 and 5/20/25-6/5/25			
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100) <input checked="" type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> §100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____			
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY <input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____			
7. CONTACT PERSON Hanna Cho		TELEPHONE NUMBER 916-845-7298	FAX NUMBER (Optional) E-MAIL ADDRESS (Optional) Hanna.Cho@ftb.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE L. Red Gobuty Digitally signed by L. Red Gobuty Date: 2025.07.25 09:03:44 -0700	DATE 7/25/25
TYPED NAME AND TITLE OF SIGNATORY L. Red Gobuty, Regulations Attorney	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

AUG 27 2025

Office of Administrative Law