

BILL ANALYSIS

| Department, Board, Or Commission | Author | Bill Number |
|----------------------------------|---------------------|-------------|
| Franchise Tax Board | Committee on Budget | AB 102 |

SUBJECT Taxpayer Transparency and Fairness Act of 2017/Establish and Transfer BOE Duties to California Department of Tax and Fee Administration and Office of Tax Appeals

SUMMARY

This bill would establish, in the Government Operations Agency, the California Department of Tax and Fee Administration (Department). The Department would be under the control of a director, a chief deputy director, and a chief counsel, appointed by the Governor, with the director subject to confirmation by the Senate.

The bill would transfer to the Department various duties, powers, staff, and responsibilities of the State Board of Equalization (Board) relating to the administration of various taxes and fees, except for those conferred upon the Board by the California Constitution, and the duty to adjust the motor vehicle fuel tax rate for the 2018-19 fiscal year.

The bill would also create the Office of Tax Appeals (Office) within state government. The Office would be under the control of a director, a chief deputy director, and a chief counsel, appointed by the Governor, with the director subject to confirmation by the Senate. Within the Office, there would be tax appeal panels, with each panel consisting of three administrative law judges designated by the director.

The bill would require the Office to conduct hearings on appeals from actions of the Franchise Tax Board (FTB) and of the Department on or after January 1, 2018, under the Administrative Procedures Act.

The bill would also make various changes to the administration of the Board.

This bill would impact the current process for hearing income tax appeals requiring the FTB to work closely with the new Office in support of ensuring taxpayer rights to a hearing are protected.

VOTES

| | Date | Yes | No |
|----------------|----------|-----|----|
| Concurrence | 06/15/17 | 52 | 25 |
| Senate Floor | 06/15/17 | 22 | 13 |
| Assembly Floor | 05/18/17 | 45 | 25 |

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