

ANALYSIS OF AMENDED BILL

Author: Ridley-Thomas Analyst: Janet Jennings Bill Number: AB 1210
Related Bills: None Telephone: 845-3495 Amended Date: March 29, 2017
Attorney: Bruce Langston Sponsor: _____

SUBJECT: FTB Submit Annual Conformity Report to Legislature on or Before February 1st Each Year

SUMMARY

This bill would modify the general due date for the Franchise Tax Board's (FTB's) annual federal conformity report.

RECOMMENDATION – NO POSITION

Summary of Amendments

The March 29, 2017, amendments removed provisions relating to returns filed by magnetic media and replaced them with the provisions discussed in this analysis.

This is the department's first analysis of the bill.

REASON FOR THE BILL

The reason for the bill is to make the report's due date consistent with the legislative calendar.

EFFECTIVE/OPERATIVE DATE

This bill would become effective and operative January 1, 2018, if the bill is signed by September 30, 2017.

STATE LAW

Current state law requires the FTB to submit to the Legislature, generally by the 10th of January of each year, a report on all changes to the Internal Revenue Code (IRC) enacted into law in the prior year, referred to as the annual federal conformity report. However, in the event that changes to the IRC are enacted after September 15 of any year, the due date of the report is extended to be 120 days after the date of the last IRC change enacted in the prior year.

THIS BILL

This bill would change the general due date for the FTB's annual federal conformity report from January 10 to February 1 of each year, and if changes to the IRC are enacted after September 15th of any year, the due date of the report is extended to be 140 days after the date of the last IRC change enacted in the prior year.

IMPLEMENTATION CONSIDERATIONS

Implementing this bill would not impact the department's programs and operations.

OTHER STATES' INFORMATION

Since this bill affects a report to the Legislature, a review of other states' income tax laws is not relevant.

FISCAL IMPACT

This bill would not impact the department's costs.

ECONOMIC IMPACT

This bill would not impact the state's income tax revenue.

SUPPORT/OPPOSITION

Support: None on file.

Opposition: None on file.

ARGUMENTS

Proponents: Some may argue that the report's current general due date is too early in the legislative process to be of value.

Opponents: Some may argue that the recent history of changes to the IRC that triggered the report's extended due date supports modifying the due date.

LEGISLATIVE STAFF CONTACT

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