

BILL ANALYSIS

Department, Board, Or Commission	Author	Bill Number
Franchise Tax Board	Committee on Budget	AB 129

SUBJECT: FTB Disclosure of Tax Return Information to Scholarshare Investment Board

SUMMARY

Among other things, this bill would require the Franchise Tax Board (FTB) to disclose specified information to the Scholarshare Investment Board.

This analysis only addresses the provisions of the bill that impact the department's programs and operations.

REASON FOR THE BILL

The reason for this bill is to make clarifying and technical changes necessary to implement changes to education programs adopted as part of the Budget Act of 2017.

EFFECTIVE/OPERATIVE DATE

As a provision of a bill providing for appropriations related to the Budget Bill and identified as a bill related to the budget in the Budget Bill, the provision requiring the FTB to disclose specified information to the Scholarshare Investment Board would be effective and operative immediately upon enactment.

STATE LAW

Current state law prohibits the disclosure of any taxpayer information, except as specifically authorized by statute in the California Revenue and Taxation Code. California law permits the FTB to release individual tax return information to specific state agencies. Agencies must have a specific reason for requesting the information, including investigating items of income disclosed on any return or report, verifying eligibility for public assistance, locating absent parents to collect child support, or locating abducted children. For some agencies, only limited information may be released, such as the taxpayer's social security number and address.

THIS BILL

This bill would require the Scholarshare Investment Board and the FTB to exchange certain taxpayer information of a participant in a qualified tuition program, as follows:

The Scholarshare Investment Board would send to the FTB the name and Individual Taxpayer Identification number (ITIN) or social security number of a participant in a qualified tuition program.

Using the most recent taxable year information available, the FTB would provide the Scholarshare Investment Board:

- The amounts of federal adjusted gross income as reported by the taxpayer(s) to the FTB,
- The amounts of California adjusted gross income as reported by the taxpayer or as adjusted by the FTB, and
- The first and last name, date of birth, and the ITIN or social security number of the taxpayer.

The bill would require that the FTB return or destroy all information received from the Scholarshare Investment Board after completing the data exchange.

LEGISLATIVE HISTORY

SB 85 (Committee on Budget and Fiscal Review, Chapter 23, Statutes of 2017) among other things, created the Every Kid Counts College Savings Match Grant Program and authorized the FTB to provide certain tax return information to the Scholarshare Investment Board for the purpose of verifying that program participants meet the specified household income eligibility requirements.

OTHER STATES' INFORMATION

Since this bill is specific to a data exchange authorization, a review of other state income tax laws would not be relevant.

FISCAL IMPACT

Reimbursement for providing information, as required in this bill, is normally provided to the FTB through an interagency contract.

ECONOMIC IMPACT

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

APPOINTMENTS

None.

SUPPORT/OPPOSITION

Support: None on file.

Opposition: None on file.

VOTES

	Date	Yes	No
Concurrence	09/15/17	78	1
Senate Floor	09/15/17	28	11
Assembly Floor	05/18/17	45	25

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