

## ANALYSIS OF AMENDED BILL

Author: Ridley-Thomas Analyst: Janet Jennings Bill Number: AB 1345  
Related Bills: See Legislative History Telephone: 845-3495 Amended Date: April 3, 2017  
Attorney: Bruce Langston Sponsor: \_\_\_\_\_

**SUBJECT:** FTB Report Recurrent Noncompliance/Change Due Date to December 31 of Each Year

### SUMMARY

This bill would change the due date of the Franchise Tax Board's (FTB's) annual report to the legislature on areas of recurrent taxpayer noncompliance.

### RECOMMENDATION – NO POSITION

#### Summary of Amendments

The bill's provision that would have made a nonsubstantive technical change to the Revenue and Taxation Code (R&TC) and replaced it with the provision 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 allow the FTB additional time to prepare a complete and accurate report.

### EFFECTIVE/OPERATIVE DATE

This bill would become effective January 1, 2018, and operative for reports issued on or after that date.

### STATE LAW

The Katz-Harris Taxpayers' Bill of Rights Act, among other things, requires the FTB to annually perform a systematic identification of areas of recurrent taxpayer noncompliance and report its findings to the Legislature on December 1 of each year. Included in the report are recommendations for improving taxpayer compliance and a summary of cases where penalty, interest, and fee relief was granted as part of the Taxpayers' Rights Advocate relief program.<sup>1</sup>

This report is referred to as the Taxpayer Bill of Rights Annual Report (annual report) to the Legislature.

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<sup>1</sup> Pursuant to R&TC section 21004.

## **THIS BILL**

This bill would change the due date for the annual report from December 1 to December 31 of each year.

## **IMPLEMENTATION CONSIDERATIONS**

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

## **LEGISLATIVE HISTORY**

AB 1801 (Ting, 2015/2016) was substantially similar to this bill. AB 1801 failed passage from the Assembly Revenue and Taxation Committee.

## **OTHER STATES' INFORMATION**

Because this bill changes the date that the annual report required under the Katz-Harris Taxpayers' Bill of Rights Act is due to the Legislature, a review of other states' tax information would not be relevant.

## **FISCAL IMPACT**

This bill would not impact department costs.

## **ECONOMIC IMPACT**

This bill would not impact state tax revenues.

## **SUPPORT/OPPOSITION**

Support: None on file.

Opposition: None on file.

## **ARGUMENTS**

Proponents: Some would argue that extending the annual report's due date by 30 days would allow for a more accurate report.

Opponents: Some could argue that an additional 30 days may be inadequate to significantly impact the annual report's accuracy.

## **LEGISLATIVE STAFF CONTACT**

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