



Analysis of Original Bill

Author: Harper

Sponsor:

Bill Number: AB 2730

Analyst: Janet Jennings

Phone: (916) 845-3495

Introduced: February 15, 2018

Attorney: Bruce Langston

Related Bills: See Legislative
History

Subject: Repeal Authority & Responsibility of FTB to Collect Unpaid Tolls & Toll Evasion Penalties

Summary

This bill would remove delinquent unpaid tolls and toll evasion penalties as a debt type that the Franchise Tax Board (FTB) can collect on behalf of the Department of Motor Vehicles (DMV).

Recommendation – No position.

Reason for the Bill

The reason for the bill is protect California motorists from wage and bank levies imposed by the FTB.

Effective/Operative Date

This bill would become effective and operative on January 1, 2019.

State Law

The responsibility and authority for the collection of delinquent amounts of registration fees, transfer fees, license fees, use taxes, and any interest, penalties, or service fees, was transferred from the DMV to the FTB. In 2015, the law was amended to include delinquent amounts of unpaid tolls, toll evasion penalties, and any related administrative or service fees that the FTB is authorized to collect.¹

Current state law authorizes the FTB to take collection actions including, but not limited to, attaching bank accounts and garnishing wages.

¹ SB 84 Committee on Budget, Chapter 25, Statutes of 2015.

This Bill

This bill would, as of January 1, 2019, repeal the FTB's authority to collect unpaid tolls, toll evasion penalties, and related administrative or service fees on behalf of the DMV.

Implementation Considerations

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

Legislative History

SB 84 (Committee on Budget, Chapter 25, Statutes of 2015) among other items, added toll and toll evasion penalties as a debt that the FTB is authorized to collect on behalf of the DMV.

Other States' Information

Since this bill refers to a debt type that the FTB can collect on behalf of the DMV, a review of other state income tax laws would not be 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 Provided.

Opposition: None Provided.

Arguments

Proponents: Some could argue the FTB's collection authority should be limited to collecting debts related to the taxes it administers.

Opponents: Some could argue that this bill would decrease the efficiency of collection of unpaid tolls and toll evasion penalties.

Legislative Staff Contact

Janet Jennings
Legislative Analyst, FTB
(916) 845-3495
janet.jennings@ftb.ca.gov

Jame Eiserman
Revenue Manager, FTB
(916) 845-7484
jame.eiserman@ftb.ca.gov

Diane Deatherage
Legislative Director, FTB
(916) 845-6333
diane.deatherage@ftb.ca.gov