



## **Bill Analysis**

Author: Roth

Sponsor:

Bill Number: SB 755

Related Bills: See Legislative  
History

Introduced: February 19, 2021

### **SUBJECT**

Data Sharing with the Employment Development Department (EDD)

### **SUMMARY**

This bill, under the Revenue and Taxation Code (RTC), would authorize the Franchise Tax Board (FTB) to share with the EDD anonymized occupational data that may be self-reported by a taxpayer.

This analysis only addresses the provisions that would impact the department.

### **RECOMMENDATION**

No position.

### **SUMMARY OF AMENDMENTS**

Not applicable.

### **REASON FOR THE BILL**

The reason for the bill is to allow sharing of anonymized occupation data with the EDD to supplement information used to evaluate specified workforce programs.

### **ANALYSIS**

This bill, under the RTC, would allow the FTB, upon request, to disclose to the EDD anonymized occupational data that may be self-reported by a taxpayer on a return required by the Personal Income Tax Law, subject to any federal limitations.

This bill would specify that the information shall be used or disclosed only for the purpose of enabling the EDD to supplement any quarterly wage data provided to those entities and for those purposes specified in Unemployment Insurance Code section 1095(a), including evaluating and reporting on various workforce programs.

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### *Effective/Operative Date*

This bill would become effective and operative January 1, 2022.

### *Federal/State Law*

Current federal law provides that returns and tax information are confidential and may not be disclosed to federal or state agencies or employees except for authorized purposes. Agencies allowed access to federal return information include certain federal and state agencies, such as the FTB. A federal return is defined as any tax return, information return, declaration of estimated tax, or claim for refund under the Internal Revenue Code.

Current state law prohibits the disclosure of any taxpayer information except as specifically authorized by statute. 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.

### *Implementation Considerations*

The department has identified the following implementation consideration, and is available to work with the author's office to resolve this and any other consideration that may be identified.

The term "occupational data" is not defined. The author may want to include a definition to ensure that FTB would be authorized to share the specific data that the author would like EDD to receive.

### *Technical Considerations*

The bill is silent as to how the data would be provided to EDD. Other data sharing authorizations with EDD specify the information is shared through information sharing agreements or data interfaces.

### *Policy Considerations*

None noted.

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## **LEGISLATIVE HISTORY**

AB 107 (Committee on Budget, Chapter 264, Statutes of 2019), among other changes, authorized FTB to share return or return information with the EDD, when requested, for unemployment program administration.

## **PROGRAM BACKGROUND**

Information received, generated, and maintained by the FTB is generally considered confidential unless specifically provided otherwise by statute. The FTB has stringent departmental policies and procedures regarding privacy and disclosure. All employees receive training annually about ensuring the confidentiality of taxpayer information and are given updated procedures on a regular basis. Any violation of these policies and procedures is subject to disciplinary action, punishable by law, or both.

## **FISCAL IMPACT**

The department's costs to implement this bill have yet to be determined. As the bill moves through the legislative process, costs will be identified.

## **ECONOMIC IMPACT**

### *Revenue Estimate*

This bill as introduced on February 19, 2021, would not impact state income or franchise tax revenue.

This analysis does not account for changes in employment, personal income, or gross state product that could result from this bill or for the net final payment method of accrual.

## **LEGAL IMPACT**

None noted.

## **APPOINTMENTS**

None noted.

## **SUPPORT/OPPOSITION**

To be determined.

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## **ARGUMENTS**

To be determined.

## **LEGISLATIVE CONTACT**

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