



STATE OF CALIFORNIA
Franchise Tax Board

Short Form Analysis

Author: Committee on
Revenue and Taxation

Sponsor: Three-Member
Franchise Tax Board

Bill Number: AB 1765

Amended: August 14, 2023

SUBJECT

Franchise Tax Board Installment Agreement Expansion & Revivors for Limited Liability Companies

- Technical Amendment

SUMMARY

Provision No. 1 – Franchise Tax Board (FTB) Installment Agreement (IA) Expansion

This provision would, under the Administration of Franchise and Income Tax Laws (AFITL), make several changes to the current IA authority to allow more taxpayers the right to enter into an IA with FTB if they meet specified requirements and extend the time for full payment of an IA in certain situations. Additionally, this provision would clarify when FTB could alter, modify, or terminate any IA under certain circumstances.

Provision No. 2 - Revivors for Limited Liability Companies (LLCs)

This provision would allow LLCs that are classified as partnerships or disregarded entities and who are suspended, to be granted an opportunity to revive without payment in full if the FTB determines that the revivor would improve collection prospects.

ANALYSIS

Provision No. 1 – FTB IA Expansion

The August 14, 2023, amendments added Section 1.5 of the bill to provide double jointing language with SB 516 (Skinner, 2023/2024), which would also amend Section 19008 of the AFITL, related to IAs. Section 1.5 would only become operative if both bills are enacted and become effective on or before January 1, 2024, and this bill is enacted after SB 516.

Provision No. 2 - Revivors for LLCs

The August 14, 2023, amendments did not impact this provision.

Except for the double jointing language, FTB's analysis of the bill as introduced March 16, 2023, still applies.

LEGISLATIVE CONTACT

FTBLegislativeServices@ftb.ca.gov