



Bill Analysis

Author: Ortega and Gipson

Sponsor:

Bill Number: AB 2769

Related Bills: See Legislative
History

Amended: March 21, 2024,
and April 15, 2024

SUBJECT

Income Tax Return Checkbox - Apprenticeships

SUMMARY

Under the Administration of Income and Franchise Tax Law (AFITL), this bill would require the Franchise Tax Board (FTB) to add a check box to the income tax return for taxpayers to receive information regarding apprenticeship programs.

RECOMMENDATION

No position—The FTB has not formally voted or taken a position on this bill.

SUMMARY OF AMENDMENTS

The March 21, 2024, amendments removed intent language and replaced it with the provisions discussed in this analysis.

The April 15, 2024, amendments modified the provisions to mirror other similar checkbox and disclosure requirements currently within the AFITL.

This is the FTB's first analysis of the bill.

REASON FOR THE BILL

The reason for this bill is to add a checkbox to state income tax returns to allow taxpayers the option to obtain information on the State Apprenticeship program.

ANALYSIS

This bill would, under the AFITL, for taxable years beginning on or after January 1, 2025, require the FTB to provide an option on individual income tax returns for taxpayers to check a box to indicate if they are interested in apprenticeship programs, and authorize the FTB to share information from their tax return with the Division of Apprenticeship Standards (DAS), for the purpose of receiving individual outreach information regarding the apprenticeship program in the state.

The FTB would be required to consult with the DAS to determine the specific language to be used on the tax returns.

This bill would allow FTB to disclose to the DAS the individual income tax return information of taxpayers who checked the box indicating they would like information on the state apprenticeship program for purposes of providing individual outreach information regarding apprenticeship programs. Individual income tax return information would be shared through information sharing agreements or data interfaces.

The FTB would be authorized to share the taxpayer's full name and mailing address with the DAS.

For taxpayers who file a joint return, the authorization would be treated as authorization given by both spouses or domestic partners.

The disclosure requirements would be treated as an exception to the general prohibition against disclosure of taxpayer information that applies to FTB. In addition, the information provided to the DAS would be subject to the disclosure limitation provided in Revenue and Taxation Code (RTC) section 19542.

Effective/Operative Date

This bill would be effective and operative January 1, 2025, with the checkbox being required on returns for taxable years beginning on or after January 1, 2025.

Federal/State Law

Current tax law provides that information collected from income tax returns is considered confidential and, unless specifically available for other uses, must be used only to administer the income tax laws. The FTB may disclose taxpayer information only in limited circumstances and only to specific agencies as authorized by law. Improper disclosure of federal tax information is punishable as a felony, and improper disclosure of state tax information is punishable as a misdemeanor.

Implementation Considerations

None noted.

Technical Considerations

When a taxpayer authorizes sharing of their information, it is generally treated as an exception to RTC section 19542. For this reason, subdivision (b)(1) of section 19548.6 could be deleted as obsolete.

Policy Considerations

None noted.

LEGISLATIVE HISTORY

AB 1268 (Irwin, Chapter 573, Statutes of 2023) required the FTB to create a new checkbox for an individual to consent to be placed on an organ and tissue donor registry and for FTB to provide specific information to Donate Life California DLC.

SB 967 (Hertzberg, et al.) Chapter 170, Statutes of 2022, required the FTB to add a checkbox to the personal income tax return to ask taxpayers if they want health care coverage information, and to provide this information to the California Health Benefit Exchange for outreach and enrollment efforts.

PROGRAM BACKGROUND

Information received, generated, and maintained by the FTB is generally considered confidential unless specifically provided otherwise by statute. The FTB currently collects and shares information with departments to assist with program administration, and to name a few, FTB provides voter registration information to the Secretary of State, individual requests for health care coverage information to the California Health Benefit Exchange, and Business Entity information for the State Controller's Office unclaimed property program.

OTHER STATES' INFORMATION

None noted.

FISCAL IMPACT

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

ECONOMIC IMPACT

Revenue Estimate

This bill as amended on April 15, 2024, would not impact state income or franchise tax revenue.

LEGAL IMPACT

None noted.

EQUITY IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

Assembly Revenue and Taxation Committee Analysis 04-19-2024

Support:

American Federation of State, County and Municipal Employees (AFSCME CA); California Labor Federation, AFL-CIO; California Nurses Association; California State Association of Electrical Workers; California State Pipe Trades Council; California Workforce Association.

Opposition:

None received.

ARGUMENTS

Proponents: None on file

Opponents: None on file

LEGISLATIVE CONTACT

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