

**Summary of Second Interested Parties Meeting Re  
Possible Amendments to California Code of Regulations,  
Title 18, sections 23038(b)-1 through 23038(b)-3**

**I. Administration.**

On August 3, 2016, the Franchise Tax Board ("FTB") held a second interested parties meeting to elicit public input regarding possible amendments to the regulations at California Code of Regulations (CCR), Title 18, sections 23038(b)-1, 23038(b)-2 and 23038(b)-3 (commonly referred to as the "check-the-box" regulations) to make California's regulations conform to corresponding federal regulations at Code of Federal Regulations (CFR) section 301.7701-1 to CFR section 301.7701-3; and to add CCR section 23038(b)-5 in order to conform with 26 CFR section 301.7701-5.

Participants attended in person and by telephone. Those physically present were asked to register at the entrance, and telephone participants introduced themselves. Participants were informed there would be no attribution of comments and no transcript. The assigned staff was Bradley Kragel. Written materials were provided prior to the meeting on the FTB's website and during the meeting as follows: Notice of Meeting, Explanation and Discussion, 23038(b)-1 Draft Text, 23038(b)-2 Draft Text, 23038(b)-3 Draft Text, and 23038(b)-4 and 23038(b)-5 Draft Text.

**II. Discussion.**

The discussion addressed each of the regulations, Section 23038(b)-1, Section 23038(b)-2, Section 23038(b)-3, and Section 23038(b)-4 and -5, covering the proposed draft language, with the assigned staff reviewing each proposed change in the regulations, and explaining why the proposed language was drafted in the manner that it was proposed, and inviting comments from the public on each change. There were no comments during the meeting.

Although there were no comments made at the meeting directly related to the proposed amendments to the regulations, a participant asked a general question about regulation procedures. Staff in attendance at the meeting answered that question.

**III. Conclusion.**

FTB staff will request permission to initiate the formal rulemaking process at the FTB Board meeting in December 2016.