

Summary of Third Interested Parties Meeting

Regulation Sections 17951-7 and 25137(e), 1031 Exchange Sourcing Regulations

I. Administration

On December 20, 2022, at 10:00 a.m., the Franchise Tax Board (FTB) held a telephonic Interested Parties Meeting (IPM) that was attended by interested members of the public (Participants) concerning the proposed adoption of a new regulation in Title 18 of the California Code of Regulations (CCR) at section 17951-7. Participants were able to submit written comments by email and verbally during the IPM.

Natasha Page, FTB Tax Counsel IV, Ellen Swain, FTB Tax Counsel IV, Marguerite Mosnier, FTB Attorney V, Eric Yadao, FTB Tax Counsel IV, and Red Gobuty, FTB Tax Counsel IV, served as the IPM Facilitators (Facilitators). The Facilitators explained the purpose of the IPM was to give the public an opportunity to provide comments on the proposed regulatory text for CCR section 17951-7 (Draft Regulation Text), which was published concurrently with the Notice of the Third Interested Parties Meeting on November 15, 2022. The facilitators also explained that the draft language for CCR 25137(e) was not yet prepared for review.

II. Discussion and Summary

The Facilitators walked through the Draft Regulation Text. Once the prepared portion was completed, the telephone lines were open to receive comments. FTB received a comment from one participant requesting that FTB clearly define "boot" from an exchange under Internal Revenue Code section 1031 and asking that FTB include an example using "boot."

III. Closing

At the conclusion of the IPM, the Facilitators thanked all Participants for attending and stated the comments would be taken under consideration. The Facilitators indicated that staff would review comments received from the public during the comment period and prepare this summary.