

AMENDED IN SENATE APRIL 7, 2010

SENATE BILL

No. 1086

Introduced by Senator Florez

February 17, 2010

An act to add Section 19567 to the Revenue and Taxation Code, relating to the Franchise Tax Board.

LEGISLATIVE COUNSEL'S DIGEST

SB 1086, as amended, Florez. Franchise Tax Board: tax expenditure reporting.

Existing law authorizes the Franchise Tax Board, as part of its administrative duties with respect to the collection of taxes, to furnish specified taxpayer information. Existing law generally provides that all taxpayer information obtained by the board is to remain confidential. Existing law provides exceptions to this general requirement.

This bill would, notwithstanding existing law, require the Franchise Tax Board to annually compile *specified* information relating to a ~~taxpayer~~ *business entity, as defined*, receiving credits of \$1,000 *or more*; allowed from corporate tax expenditures, *as provided*. The bill would require the board to include the information ~~in the California Income Tax Expenditure Report and~~ *on* the state transparency Internet Web site.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 19567 is added to the Revenue and
- 2 Taxation Code, to read:

1 19567. (a) For purposes of this section, “corporate tax
 2 expenditure” means any exemption, credit, or deduction allowed
 3 under Part 11 (commencing with Section 23001) or otherwise
 4 available to a ~~corporation~~. *business entity*. For purposes of this
 5 section, “*business entity*” means a corporation, limited liability
 6 company, partnership, association, joint venture, or public-private
 7 partnership.

8 (b) Notwithstanding any provision of law, the Franchise Tax
 9 Board shall annually compile all of the following information,
 10 commencing with information based on the 2010 taxable year;
 11 ~~which shall be included in the Department of Finance California~~
 12 ~~Income Tax Expenditure Report:~~

13 (1) The name, mailing address, and California corporation
 14 number of any taxpayer *when applicable of any business entity*
 15 receiving credits of one thousand dollars (\$1,000) or more allowed
 16 from corporate tax expenditures.

17 (2) The amount claimed by each ~~taxpayer~~ *business entity* for
 18 the corporate tax expenditure.

19 (3) *No individual or joint family taxpayer information shall be*
 20 *disclosed. For passthrough entities such as "S" corporations and*
 21 *limited liability companies owned by individuals, the information*
 22 *shall be reported at the level of the passthrough entity. If the*
 23 *passthrough entity is owned by a business entity or multiple*
 24 *business entities, then the information shall be reported at the level*
 25 *of that business entity or those business entities.*

26 (c) The information collected by the Franchise Tax Board
 27 pursuant to subdivision (b) shall be included in a *timely manner*
 28 on the state Reporting Transparency in Government Internet Web
 29 site.

30 (1) The information shall be ~~searchable by corporation~~ *compiled*
 31 *on a credit-by-credit basis and searchable by business entity name,*
 32 *corporation number when available, expenditure type, and key*
 33 *word.*

34 (2) Each report on the state Reporting Transparency in
 35 Government Internet Web site shall include all of the following
 36 information:

- 37 (A) ~~The corporation's~~ *business entity's name.*
- 38 (B) The California corporation number, *when applicable .*
- 39 (C) ~~The expenditure granted~~ *name of the tax credit claimed.*
- 40 (D) *The amount of the tax credit claimed.*

- 1 Ⓟ
- 2 (E) A description of the initial justification for the expenditure.
- 3 (3) All data shall be available for download by the public *on*
- 4 *the state Reporting Transparency in Government Internet Web*
- 5 *site* in Excel or comparable *spreadsheet* format.

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