

AMENDED IN SENATE MAY 1, 2012

SENATE BILL

No. 1419

Introduced by Senator Correa

February 24, 2012

An act to amend Section 13943.1 of the Government Code, relating to the State Board of Equalization.

LEGISLATIVE COUNSEL'S DIGEST

SB 1419, as amended, Correa. State Board of Equalization: discharge from accountability.

Existing law authorizes the State Board of Control to discharge any state agency or employee from accountability for the collection of taxes, licenses, fees, or money owing to the state if the debt is uncollectible or the amount of the debt does not justify the cost of its collection. Existing law authorizes the Franchise Tax Board to extinguish an outstanding liability for the payment of any tax, fee, or other liability deemed uncollectible that is due and owing to the state, if ~~certain~~ *at least one of a list of conditions are met, including, among others, that the Franchise Tax Board has determined that the liable person has a permanent financial hardship.*

This bill would, *instead, provide that in order to qualify for those provisions at least 2 of a list of conditions must be met. This bill would authorize the State Board of Equalization to extinguish an outstanding liability for the payment of any tax, fee, or other liability deemed uncollectible that is due and owing to the state, if certain conditions are met. This bill would also define financial hardship for purposes of those provisions.*

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 13943.1 of the Government Code is
2 amended to read:

3 13943.1. (a) Except as provided in subdivision (b), a discharge
4 granted pursuant to this chapter to a state agency or employee does
5 not release any person from the payment of any tax, license, fee,
6 or other money that is due and owing to the state.

7 (b) A discharge granted pursuant to this chapter to the Franchise
8 Tax Board or the State Board of Equalization shall release a person
9 from a liability for the payment of any tax, fee, or other liability
10 deemed uncollectible that is due and owing to the state and
11 extinguish that liability, if at least ~~one~~ *two* of the following
12 conditions *is are* met:

13 (1) The liability is for an amount less than five hundred dollars
14 (\$500).

15 (2) The liable person has been deceased for more than four years
16 and there is no active probate with respect to that person.

17 (3) (A) The Franchise Tax Board or the State Board of
18 Equalization, respectively, has determined that the liable person
19 has a permanent financial hardship.

20 (B) *For purposes of this paragraph, “financial hardship” means*
21 *that a liable person is unable to pay any part of the outstanding*
22 *liability, and is unable to qualify for an installment payment*
23 *arrangement as provided for by Section 6832 or Section 19008 of*
24 *the Revenue and Taxation Code. The liable person shall submit*
25 *any information, including, but not limited to, information related*
26 *to reasonable business and personal expenses, requested by the*
27 *Franchise Tax Board or the State Board of Equalization, whichever*
28 *is applicable, for purposes of determining whether a financial*
29 *hardship exists.*

30 (4) The liability has been unpaid for more than 30 years.

O