

AMENDED IN SENATE MAY 15, 2012

AMENDED IN SENATE MAY 1, 2012

**SENATE BILL**

**No. 1419**

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**Introduced by Senator Correa**

February 24, 2012

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An act to ~~amend Section 13943.1 of~~ *add Section 13945* to 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 at least one of a list of conditions *are is* 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~~ *at least 2 of a list of* 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 13945 is added to the Government Code,  
2 to read:

3 13945. (a) Except as provided in subdivision (b), a discharge  
4 granted pursuant to this chapter to a state agency or employee  
5 does not release any person from the payment of any tax, license,  
6 fee, or other money that is due and owing to the state.

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

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

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

16 (3) (A) The State Board of Equalization has determined that  
17 the liable person has a permanent financial hardship.

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

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

28 SECTION 1. ~~Section 13943.1 of the Government Code is~~  
29 ~~amended to read:~~

30 ~~13943.1. (a) Except as provided in subdivision (b), a discharge~~  
31 ~~granted pursuant to this chapter to a state agency or employee does~~  
32 ~~not release any person from the payment of any tax, license, fee,~~  
33 ~~or other money that is due and owing to the state.~~

34 ~~(b) A discharge granted pursuant to this chapter to the Franchise~~  
35 ~~Tax Board or the State Board of Equalization shall release a person~~

1 from a liability for the payment of any tax, fee, or other liability  
2 deemed uncollectible that is due and owing to the state and  
3 extinguish that liability, if at least two of the following conditions  
4 are met:

5 (1) The liability is for an amount less than five hundred dollars  
6 (\$500).

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

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

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

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