

**Introduced by Senator Knight**

February 22, 2013

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An act to add Section 39 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 582, as introduced, Knight. Tax information: administration.

Existing law imposes various taxes that are administered by the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department.

This bill would require the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department to collaborate and focus the agencies' current and future information technology efforts on developing a single Internet Web site portal that virtually consolidates the agencies to enable online, self-service access to the agencies, as provided. This bill would also require these agencies, wherever operationally feasible, to consolidate forms, applications, and other documents to reduce or eliminate the number of multiple submissions of the same information by taxpayers.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) California relies on three separate state agencies to administer
- 4 and enforce its major taxes.

1 (b) To obtain assistance and comply with California’s tax laws,  
2 policies, and procedures, many taxpayers must interact with all  
3 three agencies, and frequently with multiple departments within  
4 those agencies.

5 (c) While this system has performed reasonably well in many  
6 respects, the multiagency nature of the system is prone to certain  
7 inherent problems, difficulties, and inefficiencies, and is  
8 particularly complex for taxpayers required to comply with  
9 California’s tax laws.

10 (d) Over the past decades, numerous reports have been prepared  
11 and various legislative proposals have been considered on the topic  
12 of coordination and cooperation among these three agencies. The  
13 focus of these efforts range from relatively minor aspects of  
14 increased cooperation to proposals for full consolidation of the  
15 agencies under “one roof.”

16 (e) Focusing on the customer should be a core element of  
17 California’s tax administration. Taxpayers should not have to  
18 understand complex government structures and relationships in  
19 order to interact with the government, particularly in a sensitive  
20 area like taxes.

21 (f) The California Tax Service Center, available at  
22 [www.taxes.ca.gov](http://www.taxes.ca.gov), provides an assortment of independent  
23 departmental forms, returns, and links, tied together by a common  
24 homepage on the Internet, and is intended to provide California  
25 taxpayers with resources and educational programs with a goal as  
26 a one-stop tax assistance hub.

27 (g) The California Tax Service Center can be used to better  
28 serve California’s taxpaying community by virtually consolidating  
29 the three agencies’ operations to enable them to appear as one  
30 unified organization with the goal of providing a seamless  
31 experience for taxpayers in their online interactions with the  
32 agencies.

33 (h) It is therefore in California’s best interest to develop an  
34 Internet Web-based, taxpayer-focused system that virtually  
35 consolidates the State Board of Equalization, the Franchise Tax  
36 Board, and the Employment Development Department. In  
37 developing a taxpayer-focused system, the fundamental objective  
38 should be a platform that provides an integrated experience for  
39 taxpayers, to enable online self-service access with a single logon  
40 for all three agencies, and to provide pertinent and essential

1 information that will enable taxpayers to satisfy their payment and  
2 reporting obligations, obtain real time information pertinent to  
3 their individual accounts, and provide assistance that will enable  
4 taxpayers to achieve optimum compliance with California's  
5 complex tax system.

6 SEC. 2. Section 39 is added to the Revenue and Taxation Code,  
7 to read:

8 39. The board, the Franchise Tax Board, and the Employment  
9 Development Department shall collaborate and focus their current  
10 and future information technology efforts on developing a single  
11 Internet Web-based portal that virtually consolidates the agencies  
12 to enable online, self-service access through a single logon for  
13 taxpayers to electronically file returns, submit forms or other  
14 information, remit amounts due, determine account balances and  
15 due dates of taxes, identify the status of any appeal, claim for  
16 refund, request for relief of interest or penalty, and any other  
17 information the agencies deem helpful to the taxpayer to assist in  
18 compliance with the state's tax laws. As part of this effort,  
19 wherever operationally feasible, these agencies shall also  
20 consolidate forms, applications, and other documents to reduce or  
21 eliminate the number of multiple submissions of the same  
22 information by taxpayers.