

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 814**

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**Introduced by Assembly Member Daly**

February 26, 2015

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An act to ~~amend Section 34 of~~ *add Section 39 to* the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 814, as amended, Daly. ~~Local tax payment.~~ *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, on or before January 1, 2017, the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department to collaborate and focus the agencies' current and future information technology efforts to conduct a feasibility study on the development of a single Internet Web site portal that virtually consolidates the agencies to enable online, self-service access to the agencies, as provided, and to submit the study to the Legislature. The bill would also require these agencies, upon a joint determination by the agencies that a need exists to improve cost-effective services to taxpayers and an appropriation by the Legislature, to consolidate forms, applications, and other documents to reduce or eliminate the number of multiple submissions of the same information by taxpayers.*

~~Under existing law, whenever an amount of money paid by a person to the state includes a sum that can be identified as intended as payment of a locally administered tax that should have been paid directly to a~~

~~local government within the state, the state is authorized to pay the amount to the local government and notify the payor of its action. However, existing law prohibits this procedure from being followed unless the governing body of the local government has, by resolution, agreed with respect to those payments that a timely payment received by the state will be regarded as a timely payment to the local government concerned, as provided.~~

~~This bill would make nonsubstantive changes to those provisions.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-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*  
 4 *administer and enforce its major taxes.*  
 5     (b) *To obtain assistance and comply with California’s tax laws,*  
 6 *policies, and procedures, many taxpayers must interact with all*  
 7 *three agencies, and frequently with multiple departments within*  
 8 *those agencies.*  
 9     (c) *While this system has performed reasonably well in many*  
 10 *respects, the multiagency nature of the system is prone to certain*  
 11 *inherent problems, difficulties, and inefficiencies, and is*  
 12 *particularly complex for taxpayers required to comply with*  
 13 *California’s tax laws.*  
 14     (d) *Over the past decades, numerous reports have been prepared*  
 15 *and various legislative proposals have been considered on the*  
 16 *topic of coordination and cooperation among these three agencies.*  
 17 *The focus of these efforts range from relatively minor aspects of*  
 18 *increased cooperation to proposals for full consolidation of the*  
 19 *agencies under “one roof.”*  
 20     (e) *Focusing on the customer should be a core element of*  
 21 *California’s tax administration. Taxpayers should not have to*  
 22 *understand complex government structures and relationships in*  
 23 *order to interact with the government, particularly in a sensitive*  
 24 *area like taxes.*  
 25     (f) *The California Tax Service Center, available at*  
 26 *www.taxes.ca.gov, provides an assortment of independent*  
 27 *departmental forms, returns, and links, tied together by a common*

1 homepage on the Internet, and is intended to provide California  
2 taxpayers with resources and educational programs with a goal  
3 as a one-stop tax assistance hub.

4 (g) The California Tax Service Center can be used to better  
5 serve California's taxpaying community by virtually consolidating  
6 the three agencies' operations to enable them to appear as one  
7 unified organization with the goal of providing a seamless  
8 experience for taxpayers in their online interactions with the  
9 agencies.

10 (h) It is therefore in California's best interest to develop an  
11 Internet Web-based, taxpayer-focused system that virtually  
12 consolidates the State Board of Equalization, the Franchise Tax  
13 Board, and the Employment Development Department. In  
14 developing a taxpayer-focused system, the fundamental objective  
15 should be a platform that provides an integrated experience for  
16 taxpayers, to enable online self-service access with a single logon  
17 for all three agencies, and to provide pertinent and essential  
18 information that will enable taxpayers to satisfy their payment and  
19 reporting obligations, obtain real-time information pertinent to  
20 their individual accounts, and provide assistance that will enable  
21 taxpayers to achieve optimum compliance with California's  
22 complex tax system.

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

25 39. (a) (1) On or before January 1, 2017, the board, the  
26 Franchise Tax Board, and the Employment Development  
27 Department shall collaborate and focus their current and future  
28 information technology efforts to conduct a feasibility study on  
29 the development of a single Internet Web-based portal that virtually  
30 consolidates the agencies to enable online, self-service access  
31 through a single logon for taxpayers to electronically file returns,  
32 submit forms or other information, determine account balances  
33 and due dates of taxes, remit amounts due, identify the status of  
34 any appeal, claim for refund, request for relief of interest or  
35 penalty, and any other information the agencies deem helpful to  
36 the taxpayer to assist in compliance with the state's tax laws. The  
37 feasibility study shall consider the California Tax Service Center  
38 Internet Web site in its analysis.

39 (2) The feasibility study shall be conducted with the existing  
40 budgets of the board, the Franchise Tax Board, and the

1 *Employment Development Department. An appropriation shall*  
2 *not be made by the Legislature to fund the feasibility study.*

3 *(3) The feasibility study shall be submitted to the Legislature*  
4 *no later than six months after the study is completed and shall be*  
5 *submitted in compliance with Section 9795 of the Government*  
6 *Code.*

7 *(4) This subdivision shall become inoperative on January 1,*  
8 *2020, pursuant to Section 10231.5 of the Government Code.*

9 *(b) As part of this effort, upon a joint determination by the*  
10 *agencies that a need exists to improve cost-effective services to*  
11 *taxpayers and an appropriation by the Legislature, these agencies*  
12 *shall also consolidate forms, applications, and other documents*  
13 *to reduce or eliminate the number of multiple submissions of the*  
14 *same information by taxpayers.*

15 ~~SECTION 1. Section 34 of the Revenue and Taxation Code is~~  
16 ~~amended to read:~~

17 ~~34. Whenever an amount of money paid by a person to the~~  
18 ~~state or any of its agencies includes a sum that can be identified~~  
19 ~~as in fact intended as payment of a locally administered tax that~~  
20 ~~should have been paid directly to a city, city and county, county~~  
21 ~~or district within the state, the state or its agency may pay the~~  
22 ~~amount to the local government entitled thereto and notify the~~  
23 ~~payor of its action. This procedure, however, shall not be followed~~  
24 ~~by the state or any of its agencies unless the governing body of~~  
25 ~~the local government concerned has, by resolution, agreed with~~  
26 ~~respect to those payments that a timely payment received by the~~  
27 ~~state or its agency will be regarded as a timely payment to the local~~  
28 ~~government concerned, and that it will process all claims with~~  
29 ~~respect to that payment in the same manner as though the payment~~  
30 ~~had been made to it in the first instance.~~