

AMENDED IN ASSEMBLY APRIL 13, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1450

Introduced by Assembly Member Chang
(Coauthor: Assembly Member Chávez)

February 27, 2015

An act to amend Section 19133 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL’S DIGEST

AB 1450, as amended, Chang. Income taxes: administration: returns: penalties.

Under existing law, the Franchise Tax Board is authorized to impose a 25% penalty for failure to furnish information in response to a written request from the Franchise Tax Board and failure to file a return upon notice and demand of the Franchise Tax Board.

This bill would instead authorize the Franchise Tax Board to impose a penalty of up to 10%, and would require the board, in determining the amount of penalty, to consider whether the taxpayer has made a good faith effort to comply with that information request or notice and ~~demand~~. *demand, as provided.*

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 19133 of the Revenue and Taxation Code
2 is amended to read:

1 19133. If any taxpayer fails or refuses to furnish any
2 information requested in writing by the Franchise Tax Board or
3 fails or refuses to make and file a return required by this part upon
4 notice and demand by the Franchise Tax Board, then, unless the
5 failure is due to reasonable cause and not willful neglect, the
6 Franchise Tax Board may add a penalty of up to 10 percent of the
7 amount of tax determined pursuant to Section 19087 or of any
8 deficiency tax assessed by the Franchise Tax Board concerning
9 the assessment of which the information or return was required.
10 In determining the amount of penalty, the Franchise Tax Board
11 shall consider whether the taxpayer has made a good faith effort
12 to comply with that information request or notice and ~~demand~~.
13 *demand, including whether some or all of the tax determined*
14 *pursuant to Section 19087 or of any deficiency tax assessed has*
15 *been paid.*