

ASSEMBLY BILL

No. 1801

Introduced by Assembly Member Ting

February 8, 2016

An act to amend Section 21006 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1801, as introduced, Ting. Katz-Harris Taxpayers' Bill of Rights: report.

The Katz-Harris Taxpayers' Bill of Rights Act establishes the position of the Taxpayers' Rights Advocate and makes the advocate or his or her designee responsible for coordinating the resolution of taxpayer complaints and problems, including any taxpayer complaints regarding unsatisfactory treatment of taxpayers by Franchise Tax Board employees. Existing law requires the board, in consultation with the Taxpayers' Rights Advocate, to develop and implement a taxpayer education and information program directed at, but not limited to, identifying forms, procedures, regulations, or laws which are confusing and lead to taxpayer errors. Existing law requires the board to perform annually a systematic identification of areas of recurrent taxpayer noncompliance and shall report its findings to the Legislature on December 1 of each year.

This bill would change the due date of that report to December 31 of each year.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 21006 of the Revenue and Taxation Code
2 is amended to read:

3 21006. (a) The board shall perform annually a systematic
4 identification of areas of recurrent taxpayer noncompliance and
5 shall report its findings to the Legislature on ~~December 1~~ *December*
6 *31* of each year.

7 (b) As part of the identification process described in subdivision
8 (a), the board shall do both of the following:

9 (1) Compile and analyze sample data from its audit process,
10 including, but not limited to, all of the following:

11 (A) The statute or regulation violated by the taxpayer.

12 (B) The amount of tax involved.

13 (C) The industry or business engaged in by the taxpayer.

14 (D) The number of years covered in the audit period.

15 (E) Whether professional tax preparation assistance was utilized
16 by the taxpayer.

17 (F) Whether income tax or bank and corporation tax returns
18 were filed by the taxpayer.

19 (2) Conduct an annual hearing before the board itself where
20 industry representatives and individual taxpayers are allowed to
21 present their proposals on changes to the Personal Income Tax
22 Law or the Corporation Tax Law which may further facilitate
23 achievement of the legislative findings.

24 (c) The board shall include in its report recommendations for
25 improving taxpayer compliance and uniform administration,
26 including, but not limited to, all of the following:

27 (1) Changes in statute or board regulations.

28 (2) Improvement of training of board personnel.

29 (3) Improvement of taxpayer communication and education.

30 (4) Increased enforcement capabilities.

31 (d) The board shall include in its report a summary of cases
32 where relief was granted pursuant to subdivision (c) of Section
33 21004, including the nature of the error or delay, and the steps
34 taken by the board to remedy systemic issues that caused the error
35 or delay.

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