

**ASSEMBLY BILL**

**No. 2201**

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**Introduced by Assembly Member Brough  
(Coauthors: Assembly Members Gallagher, Gipson, Mullin, and  
Waldron)**

(Coauthors: Senators Anderson, Berryhill, Cannella, Gaines, Huff,  
Nielsen, and Vidak)

February 18, 2016

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An act to repeal and add Sections 6591.6, 7655.5, 8876.5, 12631.5, 30281.5, 32252.5, 40101.5, 41095.5, 43155.5, 45153.5, 46154.5, 50112.1, 55042.5, and 60207.5 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2201, as introduced, Brough. State Board of Equalization: administration: interest.

Existing law requires the payment of interest on late payments, or late prepayments, of tax, fee, or surcharge payments at the modified adjusted rate per month under the provisions of the Sales and Use Tax Law, Motor Vehicle Fuel Tax Law, Use Fuel Tax Law, Cigarette and Tobacco Products Tax Law, Alcoholic Beverage Tax Law, Energy Resources Surcharge Law, Emergency Telephone Users Surcharge Act, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Oil Spill Response, Prevention, and Administration Fees Law, Underground Storage Tank Maintenance Fee Law, Fee Collection Procedures Law, Diesel Fuel Tax Law, and the law governing the taxation of insurance companies. Interest is charged on a per-month basis, with one month's interest charged for each month, or fraction of a month, that a payment or prepayment is unpaid. Existing law, until

January 1, 2016, allowed the members of the State Board of Equalization, meeting as a public body, to find, under specified circumstances, that it is inequitable to compute interest on a monthly basis and to instead compute interest on a daily basis with respect to electronic payments or prepayments of taxes, fees, and surcharges.

This bill would reinstate 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 6591.6 of the Revenue and Taxation  
2 Code is repealed.  
3 ~~6591.6. (a) If the board finds, taking into account all facts and~~  
4 ~~circumstances, that it is inequitable to compute interest at the~~  
5 ~~modified adjusted rate per month or fraction thereof, as defined~~  
6 ~~in subdivision (b) of Section 6591.5, interest shall be computed at~~  
7 ~~the modified adjusted daily rate from the date on which the tax or~~  
8 ~~prepayment was due until the date of payment, if all of the~~  
9 ~~following occur:~~

10 (1) ~~The payment of tax or the prepayment was made one~~  
11 ~~business day after the date the tax or prepayment was due.~~  
12 (2) ~~The person was granted relief from all penalties that applied~~  
13 ~~to that payment of tax or prepayment.~~  
14 (3) ~~The person files a request for an oral hearing before the~~  
15 ~~board.~~

16 (b) ~~For purposes of this section, “modified adjusted daily rate”~~  
17 ~~means the modified adjusted rate per annum as defined in~~  
18 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
19 ~~dividing the modified adjusted rate per annum by 365.~~

20 (c) ~~For purposes of this section, “board” means the members~~  
21 ~~of the State Board of Equalization meeting as a public body.~~

22 (d) ~~For purposes of this section, “business day” means any day~~  
23 ~~other than a Saturday, Sunday, or any day designated as a state~~  
24 ~~holiday.~~

25 (e) ~~This section shall not apply to any payment made pursuant~~  
26 ~~to a deficiency determination, a determination where no return has~~  
27 ~~been filed, or a jeopardy determination issued by the board.~~

28 (f) ~~This section shall only apply to electronic payments or~~  
29 ~~prepayments of taxes.~~

1 ~~(g) This section shall be operative only until January 1, 2016.~~

2 SEC. 2. Section 6591.6 is added to the Revenue and Taxation  
3 Code, to read:

4 6591.6. (a) If the board finds, taking into account all facts and  
5 circumstances, that it is inequitable to compute interest at the  
6 modified adjusted rate per month or fraction thereof, as defined  
7 in subdivision (b) of Section 6591.5, interest shall be computed at  
8 the modified adjusted daily rate from the date on which the tax or  
9 prepayment was due until the date of payment, if all of the  
10 following occur:

11 (1) The payment of tax or the prepayment was made one  
12 business day after the date the tax or prepayment was due.

13 (2) The person was granted relief from all penalties that applied  
14 to that payment of tax or prepayment.

15 (3) The person files a request for an oral hearing before the  
16 board.

17 (b) For purposes of this section, “modified adjusted daily rate”  
18 means the modified adjusted rate per annum as defined in  
19 subdivision (a) of Section 6591.5 determined on a daily basis by  
20 dividing the modified adjusted rate per annum by 365.

21 (c) For purposes of this section, “board” means the members  
22 of the State Board of Equalization meeting as a public body.

23 (d) For purposes of this section, “business day” means any day  
24 other than a Saturday, Sunday, or any day designated as a state  
25 holiday.

26 (e) This section shall not apply to any payment made pursuant  
27 to a deficiency determination, a determination where no return has  
28 been filed, or a jeopardy determination issued by the board.

29 (f) This section shall only apply to electronic payments or  
30 prepayments of taxes.

31 SEC. 3. Section 7655.5 of the Revenue and Taxation Code is  
32 repealed.

33 ~~7655.5. (a) If the board finds, taking into account all facts and~~  
34 ~~circumstances, that it is inequitable to compute interest at the~~  
35 ~~modified adjusted rate per month or fraction thereof, as defined~~  
36 ~~in subdivision (b) of Section 6591.5, interest shall be computed at~~  
37 ~~the modified adjusted daily rate from the date on which the tax or~~  
38 ~~prepayment was due until the date of payment, if all of the~~  
39 ~~following occur:~~

1 ~~(1) The payment of tax or the prepayment was made one~~  
2 ~~business day after the date the tax or prepayment was due.~~

3 ~~(2) The person was granted relief from all penalties that applied~~  
4 ~~to that payment of tax or prepayment.~~

5 ~~(3) The person files a request for an oral hearing before the~~  
6 ~~board.~~

7 ~~(b) For purposes of this section, “modified adjusted daily rate”~~  
8 ~~means the modified adjusted rate per annum as defined in~~  
9 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
10 ~~dividing the modified adjusted rate per annum by 365.~~

11 ~~(e) For purposes of this section, “board” means the members~~  
12 ~~of the State Board of Equalization meeting as a public body.~~

13 ~~(d) For purposes of this section, “business day” means any day~~  
14 ~~other than a Saturday, Sunday, or any day designated as a state~~  
15 ~~holiday.~~

16 ~~(e) This section shall not apply to any payment made pursuant~~  
17 ~~to a deficiency determination, a determination where no return has~~  
18 ~~been filed, or a jeopardy determination issued by the board.~~

19 ~~(f) This section shall only apply to electronic payments or~~  
20 ~~prepayments of taxes.~~

21 ~~(g) This section shall be operative only until January 1, 2016.~~

22 SEC. 4. Section 7655.5 is added to the Revenue and Taxation  
23 Code, to read:

24 7655.5. (a) If the board finds, taking into account all facts and  
25 circumstances, that it is inequitable to compute interest at the  
26 modified adjusted rate per month or fraction thereof, as defined  
27 in subdivision (b) of Section 6591.5, interest shall be computed at  
28 the modified adjusted daily rate from the date on which the tax or  
29 prepayment was due until the date of payment, if all of the  
30 following occur:

31 (1) The payment of tax or the prepayment was made one  
32 business day after the date the tax or prepayment was due.

33 (2) The person was granted relief from all penalties that applied  
34 to that payment of tax or prepayment.

35 (3) The person files a request for an oral hearing before the  
36 board.

37 (b) For purposes of this section, “modified adjusted daily rate”  
38 means the modified adjusted rate per annum as defined in  
39 subdivision (a) of Section 6591.5 determined on a daily basis by  
40 dividing the modified adjusted rate per annum by 365.

1 (c) For purposes of this section, “board” means the members  
2 of the State Board of Equalization meeting as a public body.

3 (d) For purposes of this section, “business day” means any day  
4 other than a Saturday, Sunday, or any day designated as a state  
5 holiday.

6 (e) This section shall not apply to any payment made pursuant  
7 to a deficiency determination, a determination where no return has  
8 been filed, or a jeopardy determination issued by the board.

9 (f) This section shall only apply to electronic payments or  
10 prepayments of taxes.

11 SEC. 5. Section 8876.5 of the Revenue and Taxation Code is  
12 repealed.

13 ~~8876.5.—(a) If the board finds, taking into account all facts and  
14 circumstances, that it is inequitable to compute interest at the  
15 modified adjusted rate per month or fraction thereof, as defined  
16 in subdivision (b) of Section 6591.5, interest shall be computed at  
17 the modified adjusted daily rate from the date on which the tax  
18 was due until the date of payment, if all of the following occur:~~

19 ~~(1) The payment of tax was made one business day after the  
20 date the tax was due.~~

21 ~~(2) The person was granted relief from all penalties that applied  
22 to that payment of tax.~~

23 ~~(3) The person files a request for an oral hearing before the  
24 board.~~

25 ~~(b) For purposes of this section, “modified adjusted daily rate”  
26 means the modified adjusted rate per annum as defined in  
27 subdivision (a) of Section 6591.5 determined on a daily basis by  
28 dividing the modified adjusted rate per annum by 365.~~

29 ~~(c) For purposes of this section, “board” means the members  
30 of the State Board of Equalization meeting as a public body.~~

31 ~~(d) For purposes of this section, “business day” means any day  
32 other than a Saturday, Sunday, or any day designated as a state  
33 holiday.~~

34 ~~(e) This section shall not apply to any payment made pursuant  
35 to a deficiency determination, a determination where no return has  
36 been filed, or a jeopardy determination issued by the board.~~

37 ~~(f) This section shall only apply to electronic payments of taxes.~~

38 ~~(g) This section shall be operative only until January 1, 2016.~~

39 SEC. 6. Section 8876.5 is added to the Revenue and Taxation  
40 Code, to read:

1 8876.5. (a) If the board finds, taking into account all facts and  
 2 circumstances, that it is inequitable to compute interest at the  
 3 modified adjusted rate per month or fraction thereof, as defined  
 4 in subdivision (b) of Section 6591.5, interest shall be computed at  
 5 the modified adjusted daily rate from the date on which the tax  
 6 was due until the date of payment, if all of the following occur:

7 (1) The payment of tax was made one business day after the  
 8 date the tax was due.

9 (2) The person was granted relief from all penalties that applied  
 10 to that payment of tax.

11 (3) The person files a request for an oral hearing before the  
 12 board.

13 (b) For purposes of this section, “modified adjusted daily rate”  
 14 means the modified adjusted rate per annum as defined in  
 15 subdivision (a) of Section 6591.5 determined on a daily basis by  
 16 dividing the modified adjusted rate per annum by 365.

17 (c) For purposes of this section, “board” means the members  
 18 of the State Board of Equalization meeting as a public body.

19 (d) For purposes of this section, “business day” means any day  
 20 other than a Saturday, Sunday, or any day designated as a state  
 21 holiday.

22 (e) This section shall not apply to any payment made pursuant  
 23 to a deficiency determination, a determination where no return has  
 24 been filed, or a jeopardy determination issued by the board.

25 (f) This section shall only apply to electronic payments of taxes.

26 SEC. 7. Section 12631.5 of the Revenue and Taxation Code  
 27 is repealed.

28 ~~12631.5. (a) If the board finds, taking into account all facts  
 29 and circumstances, that it is inequitable to compute interest at the  
 30 modified adjusted rate per month or fraction thereof, as defined  
 31 in subdivision (b) of Section 6591.5, interest shall be computed at  
 32 the modified adjusted daily rate from the date on which the tax or  
 33 prepayment was due until the date of payment, if all of the  
 34 following occur:~~

35 ~~(1) The payment of tax or prepayment was made one business  
 36 day after the date the tax or prepayment was due.~~

37 ~~(2) The person was granted relief from all penalties that applied  
 38 to that payment of tax or prepayment.~~

39 ~~(3) The person files a request for an oral hearing before the  
 40 board.~~

1 ~~(b) For purposes of this section, “modified adjusted daily rate”~~  
2 ~~means the modified adjusted rate per annum as defined in~~  
3 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
4 ~~dividing the modified adjusted rate per annum by 365.~~

5 ~~(c) For purposes of this section, “board” means the members~~  
6 ~~of the State Board of Equalization meeting as a public body.~~

7 ~~(d) For purposes of this section, “business day” means any day~~  
8 ~~other than a Saturday, Sunday, or any day designated as a state~~  
9 ~~holiday.~~

10 ~~(e) This section shall not apply to any payment made pursuant~~  
11 ~~to a deficiency determination, or a determination where no return~~  
12 ~~has been filed.~~

13 ~~(f) This section shall only apply to electronic payments or~~  
14 ~~prepayments of taxes.~~

15 ~~(g) This section shall be operative only until January 1, 2016.~~

16 SEC. 8. Section 12631.5 is added to the Revenue and Taxation  
17 Code, to read:

18 12631.5. (a) If the board finds, taking into account all facts  
19 and circumstances, that it is inequitable to compute interest at the  
20 modified adjusted rate per month or fraction thereof, as defined  
21 in subdivision (b) of Section 6591.5, interest shall be computed at  
22 the modified adjusted daily rate from the date on which the tax or  
23 prepayment was due until the date of payment, if all of the  
24 following occur:

25 (1) The payment of tax or prepayment was made one business  
26 day after the date the tax or prepayment was due.

27 (2) The person was granted relief from all penalties that applied  
28 to that payment of tax or prepayment.

29 (3) The person files a request for an oral hearing before the  
30 board.

31 (b) For purposes of this section, “modified adjusted daily rate”  
32 means the modified adjusted rate per annum as defined in  
33 subdivision (a) of Section 6591.5 determined on a daily basis by  
34 dividing the modified adjusted rate per annum by 365.

35 (c) For purposes of this section, “board” means the members  
36 of the State Board of Equalization meeting as a public body.

37 (d) For purposes of this section, “business day” means any day  
38 other than a Saturday, Sunday, or any day designated as a state  
39 holiday.

1 (e) This section shall not apply to any payment made pursuant  
 2 to a deficiency determination, or a determination where no return  
 3 has been filed.

4 (f) This section shall only apply to electronic payments or  
 5 prepayments of taxes.

6 SEC. 9. Section 30281.5 of the Revenue and Taxation Code  
 7 is repealed.

8 ~~30281.5.—(a) If the board finds, taking into account all facts  
 9 and circumstances, that it is inequitable to compute interest at the  
 10 modified adjusted rate per month or fraction thereof, as defined  
 11 in subdivision (b) of Section 6591.5, interest shall be computed at  
 12 the modified adjusted daily rate from the date on which the tax  
 13 was due until the date of payment, if all of the following occur:~~

14 ~~(1) The payment of tax was made one business day after the  
 15 date the tax was due.~~

16 ~~(2) The person was granted relief from all penalties that applied  
 17 to that payment of tax.~~

18 ~~(3) The person files a request for an oral hearing before the  
 19 board.~~

20 ~~(b) For purposes of this section, “modified adjusted daily rate”  
 21 means the modified adjusted rate per annum as defined in  
 22 subdivision (a) of Section 6591.5 determined on a daily basis by  
 23 dividing the modified adjusted rate per annum by 365.~~

24 ~~(c) For purposes of this section, “board” means the members  
 25 of the State Board of Equalization meeting as a public body.~~

26 ~~(d) For purposes of this section, “business day” means any day  
 27 other than a Saturday, Sunday, or any day designated as a state  
 28 holiday.~~

29 ~~(e) This section shall not apply to any payment made pursuant  
 30 to a deficiency determination, a determination where no report or  
 31 return has been filed, or a jeopardy determination issued by the  
 32 board.~~

33 ~~(f) This section shall only apply to electronic payments of taxes.~~

34 ~~(g) This section shall be operative only until January 1, 2016.~~

35 SEC. 10. Section 30281.5 is added to the Revenue and Taxation  
 36 Code, to read:

37 30281.5. (a) If the board finds, taking into account all facts  
 38 and circumstances, that it is inequitable to compute interest at the  
 39 modified adjusted rate per month or fraction thereof, as defined  
 40 in subdivision (b) of Section 6591.5, interest shall be computed at

1 the modified adjusted daily rate from the date on which the tax  
2 was due until the date of payment, if all of the following occur:

3 (1) The payment of tax was made one business day after the  
4 date the tax was due.

5 (2) The person was granted relief from all penalties that applied  
6 to that payment of tax.

7 (3) The person files a request for an oral hearing before the  
8 board.

9 (b) For purposes of this section, “modified adjusted daily rate”  
10 means the modified adjusted rate per annum as defined in  
11 subdivision (a) of Section 6591.5 determined on a daily basis by  
12 dividing the modified adjusted rate per annum by 365.

13 (c) For purposes of this section, “board” means the members  
14 of the State Board of Equalization meeting as a public body.

15 (d) For purposes of this section, “business day” means any day  
16 other than a Saturday, Sunday, or any day designated as a state  
17 holiday.

18 (e) This section shall not apply to any payment made pursuant  
19 to a deficiency determination, a determination where no report or  
20 return has been filed, or a jeopardy determination issued by the  
21 board.

22 (f) This section shall only apply to electronic payments of taxes.

23 SEC. 11. Section 32252.5 of the Revenue and Taxation Code  
24 is repealed.

25 ~~32252.5.— (a) If the board finds, taking into account all facts  
26 and circumstances, that it is inequitable to compute interest at the  
27 modified adjusted rate per month or fraction thereof, as defined  
28 in subdivision (b) of Section 6591.5, interest shall be computed at  
29 the modified adjusted daily rate from the date on which the tax  
30 was due until the date of payment, if all of the following occur:~~

31 ~~(1) The payment of tax was made one business day after the  
32 date the tax was due.~~

33 ~~(2) The person was granted relief from all penalties that applied  
34 to that payment of tax.~~

35 ~~(3) The person files a request for an oral hearing before the  
36 board.~~

37 ~~(b) For purposes of this section, “modified adjusted daily rate”  
38 means the modified adjusted rate per annum as defined in  
39 subdivision (a) of Section 6591.5 determined on a daily basis by  
40 dividing the modified adjusted rate per annum by 365.~~

1 ~~(e) For purposes of this section, “board” means the members~~  
2 ~~of the State Board of Equalization meeting as a public body.~~

3 ~~(d) For purposes of this section, “business day” means any day~~  
4 ~~other than a Saturday, Sunday, or any day designated as a state~~  
5 ~~holiday.~~

6 ~~(e) This section shall not apply to any payment made pursuant~~  
7 ~~to a deficiency determination, a determination where no return has~~  
8 ~~been filed, or a jeopardy determination issued by the board.~~

9 ~~(f) This section shall only apply to electronic payments of taxes.~~

10 ~~(g) This section shall be operative only until January 1, 2016.~~

11 SEC. 12. Section 32252.5 is added to the Revenue and Taxation  
12 Code, to read:

13 32252.5. (a) If the board finds, taking into account all facts  
14 and circumstances, that it is inequitable to compute interest at the  
15 modified adjusted rate per month or fraction thereof, as defined  
16 in subdivision (b) of Section 6591.5, interest shall be computed at  
17 the modified adjusted daily rate from the date on which the tax  
18 was due until the date of payment, if all of the following occur:

19 (1) The payment of tax was made one business day after the  
20 date the tax was due.

21 (2) The person was granted relief from all penalties that applied  
22 to that payment of tax.

23 (3) The person files a request for an oral hearing before the  
24 board.

25 (b) For purposes of this section, “modified adjusted daily rate”  
26 means the modified adjusted rate per annum as defined in  
27 subdivision (a) of Section 6591.5 determined on a daily basis by  
28 dividing the modified adjusted rate per annum by 365.

29 (c) For purposes of this section, “board” means the members  
30 of the State Board of Equalization meeting as a public body.

31 (d) For purposes of this section, “business day” means any day  
32 other than a Saturday, Sunday, or any day designated as a state  
33 holiday.

34 (e) This section shall not apply to any payment made pursuant  
35 to a deficiency determination, a determination where no return has  
36 been filed, or a jeopardy determination issued by the board.

37 (f) This section shall only apply to electronic payments of taxes.

38 SEC. 13. Section 40101.5 of the Revenue and Taxation Code  
39 is repealed.

1     ~~40101.5. (a) If the board finds, taking into account all facts~~  
 2 ~~and circumstances, that it is inequitable to compute interest at the~~  
 3 ~~modified adjusted rate per month or fraction thereof, as defined~~  
 4 ~~in subdivision (b) of Section 6591.5, interest shall be computed at~~  
 5 ~~the modified adjusted daily rate from the date on which the~~  
 6 ~~surcharge was due until the date of payment, if all of the following~~  
 7 ~~occur:~~

8     ~~(1) The payment of the surcharge was made one business day~~  
 9 ~~after the date the surcharge was due.~~

10    ~~(2) The person was granted relief from all penalties that applied~~  
 11 ~~to that payment of the surcharge.~~

12    ~~(3) The person files a request for an oral hearing before the~~  
 13 ~~board.~~

14    ~~(b) For purposes of this section, “modified adjusted daily rate”~~  
 15 ~~means the modified adjusted rate per annum as defined in~~  
 16 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
 17 ~~dividing the modified adjusted rate per annum by 365.~~

18    ~~(c) For purposes of this section, “board” means the members~~  
 19 ~~of the State Board of Equalization meeting as a public body.~~

20    ~~(d) For purposes of this section, “business day” means any day~~  
 21 ~~other than a Saturday, Sunday, or any day designated as a state~~  
 22 ~~holiday.~~

23    ~~(e) This section shall not apply to any payment made pursuant~~  
 24 ~~to a deficiency determination, or a determination where no return~~  
 25 ~~has been filed.~~

26    ~~(f) This section shall only apply to electronic payments of~~  
 27 ~~surcharges.~~

28    ~~(g) This section shall be operative only until January 1, 2016.~~

29    SEC. 14. Section 40101.5 is added to the Revenue and Taxation  
 30 Code, to read:

31    40101.5. (a) If the board finds, taking into account all facts  
 32 and circumstances, that it is inequitable to compute interest at the  
 33 modified adjusted rate per month or fraction thereof, as defined  
 34 in subdivision (b) of Section 6591.5, interest shall be computed at  
 35 the modified adjusted daily rate from the date on which the  
 36 surcharge was due until the date of payment, if all of the following  
 37 occur:

38    (1) The payment of the surcharge was made one business day  
 39 after the date the surcharge was due.

1 (2) The person was granted relief from all penalties that applied  
 2 to that payment of the surcharge.

3 (3) The person files a request for an oral hearing before the  
 4 board.

5 (b) For purposes of this section, “modified adjusted daily rate”  
 6 means the modified adjusted rate per annum as defined in  
 7 subdivision (a) of Section 6591.5 determined on a daily basis by  
 8 dividing the modified adjusted rate per annum by 365.

9 (c) For purposes of this section, “board” means the members  
 10 of the State Board of Equalization meeting as a public body.

11 (d) For purposes of this section, “business day” means any day  
 12 other than a Saturday, Sunday, or any day designated as a state  
 13 holiday.

14 (e) This section shall not apply to any payment made pursuant  
 15 to a deficiency determination, or a determination where no return  
 16 has been filed.

17 (f) This section shall only apply to electronic payments of  
 18 surcharges.

19 SEC. 15. Section 41095.5 of the Revenue and Taxation Code  
 20 is repealed.

21 ~~41095.5. (a) If the board finds, taking into account all facts~~  
 22 ~~and circumstances, that it is inequitable to compute interest at the~~  
 23 ~~modified adjusted rate per month or fraction thereof, as defined~~  
 24 ~~in subdivision (b) of Section 6591.5, interest shall be computed at~~  
 25 ~~the modified adjusted daily rate from the date on which the~~  
 26 ~~surcharge was due until the date of payment, if all of the following~~  
 27 ~~occur:~~

28 ~~(1) The payment of the surcharge was made one business day~~  
 29 ~~after the date the surcharge was due.~~

30 ~~(2) The person was granted relief from all penalties that applied~~  
 31 ~~to that payment of the surcharge.~~

32 ~~(3) The person files a request for an oral hearing before the~~  
 33 ~~board.~~

34 ~~(b) For purposes of this section, “modified adjusted daily rate”~~  
 35 ~~means the modified adjusted rate per annum as defined in~~  
 36 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
 37 ~~dividing the modified adjusted rate per annum by 365.~~

38 ~~(c) For purposes of this section, “board” means the members~~  
 39 ~~of the State Board of Equalization meeting as a public body.~~

1 ~~(d) For purposes of this section, “business day” means any day~~  
2 ~~other than a Saturday, Sunday, or any day designated as a state~~  
3 ~~holiday.~~

4 ~~(e) This section shall not apply to any payment made pursuant~~  
5 ~~to a deficiency determination, or a determination where no return~~  
6 ~~has been filed.~~

7 ~~(f) This section shall only apply to electronic payments of~~  
8 ~~surcharges.~~

9 ~~(g) This section shall be operative only until January 1, 2016.~~

10 SEC. 16. Section 41095.5 is added to the Revenue and Taxation  
11 Code, to read:

12 41095.5. (a) If the board finds, taking into account all facts  
13 and circumstances, that it is inequitable to compute interest at the  
14 modified adjusted rate per month or fraction thereof, as defined  
15 in subdivision (b) of Section 6591.5, interest shall be computed at  
16 the modified adjusted daily rate from the date on which the  
17 surcharge was due until the date of payment, if all of the following  
18 occur:

19 (1) The payment of the surcharge was made one business day  
20 after the date the surcharge was due.

21 (2) The person was granted relief from all penalties that applied  
22 to that payment of the surcharge.

23 (3) The person files a request for an oral hearing before the  
24 board.

25 (b) For purposes of this section, “modified adjusted daily rate”  
26 means the modified adjusted rate per annum as defined in  
27 subdivision (a) of Section 6591.5 determined on a daily basis by  
28 dividing the modified adjusted rate per annum by 365.

29 (c) For purposes of this section, “board” means the members  
30 of the State Board of Equalization meeting as a public body.

31 (d) For purposes of this section, “business day” means any day  
32 other than a Saturday, Sunday, or any day designated as a state  
33 holiday.

34 (e) This section shall not apply to any payment made pursuant  
35 to a deficiency determination, or a determination where no return  
36 has been filed.

37 (f) This section shall only apply to electronic payments of  
38 surcharges.

39 SEC. 17. Section 43155.5 of the Revenue and Taxation Code  
40 is repealed.

1     ~~43155.5. (a) If the board finds, taking into account all facts~~  
2 ~~and circumstances, that it is inequitable to compute interest at the~~  
3 ~~modified adjusted rate per month or fraction thereof, as defined~~  
4 ~~in subdivision (b) of Section 6591.5, interest shall be computed at~~  
5 ~~the modified adjusted daily rate from the date on which the tax or~~  
6 ~~prepayment was due until the date of payment, if all of the~~  
7 ~~following occur:~~

8     ~~(1) The payment of tax or the prepayment was made one~~  
9 ~~business day after the date the tax or prepayment was due.~~

10    ~~(2) The person was granted relief from all penalties that applied~~  
11 ~~to that payment of tax or prepayment.~~

12    ~~(3) The person files a request for an oral hearing before the~~  
13 ~~board.~~

14    ~~(b) For purposes of this section, “modified adjusted daily rate”~~  
15 ~~means the modified adjusted rate per annum as defined in~~  
16 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
17 ~~dividing the modified adjusted rate per annum by 365.~~

18    ~~(c) For purposes of this section, “board” means the members~~  
19 ~~of the State Board of Equalization meeting as a public body.~~

20    ~~(d) For purposes of this section, “business day” means any day~~  
21 ~~other than a Saturday, Sunday, or any day designated as a state~~  
22 ~~holiday.~~

23    ~~(e) This section shall not apply to any payment made pursuant~~  
24 ~~to a deficiency determination, a determination where no report or~~  
25 ~~return has been filed, or a jeopardy determination issued by the~~  
26 ~~board.~~

27    ~~(f) This section shall only apply to electronic payments or~~  
28 ~~prepayments of taxes.~~

29    ~~(g) This section shall be operative only until January 1, 2016.~~

30    SEC. 18. Section 43155.5 is added to the Revenue and Taxation  
31 Code, to read:

32    43155.5. (a) If the board finds, taking into account all facts  
33 and circumstances, that it is inequitable to compute interest at the  
34 modified adjusted rate per month or fraction thereof, as defined  
35 in subdivision (b) of Section 6591.5, interest shall be computed at  
36 the modified adjusted daily rate from the date on which the tax or  
37 prepayment was due until the date of payment, if all of the  
38 following occur:

39    (1) The payment of tax or the prepayment was made one  
40 business day after the date the tax or prepayment was due.

1 (2) The person was granted relief from all penalties that applied  
2 to that payment of tax or prepayment.

3 (3) The person files a request for an oral hearing before the  
4 board.

5 (b) For purposes of this section, “modified adjusted daily rate”  
6 means the modified adjusted rate per annum as defined in  
7 subdivision (a) of Section 6591.5 determined on a daily basis by  
8 dividing the modified adjusted rate per annum by 365.

9 (c) For purposes of this section, “board” means the members  
10 of the State Board of Equalization meeting as a public body.

11 (d) For purposes of this section, “business day” means any day  
12 other than a Saturday, Sunday, or any day designated as a state  
13 holiday.

14 (e) This section shall not apply to any payment made pursuant  
15 to a deficiency determination, a determination where no report or  
16 return has been filed, or a jeopardy determination issued by the  
17 board.

18 (f) This section shall only apply to electronic payments or  
19 prepayments of taxes.

20 SEC. 19. Section 45153.5 of the Revenue and Taxation Code  
21 is repealed.

22 ~~45153.5. (a) If the board finds, taking into account all facts  
23 and circumstances, that it is inequitable to compute interest at the  
24 modified adjusted rate per month or fraction thereof, as defined  
25 in subdivision (b) of Section 6591.5, interest shall be computed at  
26 the modified adjusted daily rate from the date on which the fee  
27 was due until the date of payment, if all of the following occur:~~

28 ~~(1) The payment of the fee was made one business day after the  
29 date the fee was due.~~

30 ~~(2) The person was granted relief from all penalties that applied  
31 to that fee payment.~~

32 ~~(3) The person files a request for an oral hearing before the  
33 board.~~

34 ~~(b) For purposes of this section, “modified adjusted daily rate”  
35 means the modified adjusted rate per annum as defined in  
36 subdivision (a) of Section 6591.5 determined on a daily basis by  
37 dividing the modified adjusted rate per annum by 365.~~

38 ~~(c) For purposes of this section, “board” means the members  
39 of the State Board of Equalization meeting as a public body.~~

1 ~~(d) For purposes of this section, “business day” means any day~~  
 2 ~~other than a Saturday, Sunday, or any day designated as a state~~  
 3 ~~holiday.~~

4 ~~(e) This section shall not apply to any payment made pursuant~~  
 5 ~~to a deficiency determination, a determination where no return has~~  
 6 ~~been filed or a jeopardy determination issued by the board.~~

7 ~~(f) This section shall only apply to electronic payments of fees.~~

8 ~~(g) This section shall be operative only until January 1, 2016.~~

9 SEC. 20. Section 45153.5 is added to the Revenue and Taxation  
 10 Code, to read:

11 45153.5. (a) If the board finds, taking into account all facts  
 12 and circumstances, that it is inequitable to compute interest at the  
 13 modified adjusted rate per month or fraction thereof, as defined  
 14 in subdivision (b) of Section 6591.5, interest shall be computed at  
 15 the modified adjusted daily rate from the date on which the fee  
 16 was due until the date of payment, if all of the following occur:

17 (1) The payment of the fee was made one business day after the  
 18 date the fee was due.

19 (2) The person was granted relief from all penalties that applied  
 20 to that fee payment.

21 (3) The person files a request for an oral hearing before the  
 22 board.

23 (b) For purposes of this section, “modified adjusted daily rate”  
 24 means the modified adjusted rate per annum as defined in  
 25 subdivision (a) of Section 6591.5 determined on a daily basis by  
 26 dividing the modified adjusted rate per annum by 365.

27 (c) For purposes of this section, “board” means the members  
 28 of the State Board of Equalization meeting as a public body.

29 (d) For purposes of this section, “business day” means any day  
 30 other than a Saturday, Sunday, or any day designated as a state  
 31 holiday.

32 (e) This section shall not apply to any payment made pursuant  
 33 to a deficiency determination, a determination where no return has  
 34 been filed or a jeopardy determination issued by the board.

35 (f) This section shall only apply to electronic payments of fees.

36 SEC. 21. Section 46154.5 of the Revenue and Taxation Code  
 37 is repealed.

38 ~~46154.5.—(a) If the board finds, taking into account all facts~~  
 39 ~~and circumstances, that it is inequitable to compute interest at the~~  
 40 ~~modified adjusted rate per month or fraction thereof, as defined~~

1 in subdivision (b) of Section 6591.5, interest shall be computed at  
2 the modified adjusted daily rate from the date on which the fee  
3 was due until the date of payment, if all of the following occur:

4 (1) ~~The payment of the fee was made one business day after the~~  
5 ~~date the fee was due.~~

6 (2) ~~The person was granted relief from all penalties that applied~~  
7 ~~to that fee payment.~~

8 (3) ~~The person files a request for an oral hearing before the~~  
9 ~~board.~~

10 (b) ~~For purposes of this section, “modified adjusted daily rate”~~  
11 ~~means the modified adjusted rate per annum as defined in~~  
12 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
13 ~~dividing the modified adjusted rate per annum by 365.~~

14 (e) ~~For purposes of this section, “board” means the members~~  
15 ~~of the State Board of Equalization meeting as a public body.~~

16 (d) ~~For purposes of this section, “business day” means any day~~  
17 ~~other than a Saturday, Sunday, or any day designated as a state~~  
18 ~~holiday.~~

19 (e) ~~This section shall not apply to any payment made pursuant~~  
20 ~~to a deficiency determination, a determination where no return has~~  
21 ~~been filed, or a jeopardy determination issued by the board.~~

22 (f) ~~This section shall only apply to electronic payments of fees.~~

23 (g) ~~This section shall be operative only until January 1, 2016.~~

24 SEC. 22. Section 46154.5 is added to the Revenue and Taxation  
25 Code, to read:

26 46154.5. (a) If the board finds, taking into account all facts  
27 and circumstances, that it is inequitable to compute interest at the  
28 modified adjusted rate per month or fraction thereof, as defined  
29 in subdivision (b) of Section 6591.5, interest shall be computed at  
30 the modified adjusted daily rate from the date on which the fee  
31 was due until the date of payment, if all of the following occur:

32 (1) The payment of the fee was made one business day after the  
33 date the fee was due.

34 (2) The person was granted relief from all penalties that applied  
35 to that fee payment.

36 (3) The person files a request for an oral hearing before the  
37 board.

38 (b) For purposes of this section, “modified adjusted daily rate”  
39 means the modified adjusted rate per annum as defined in

1 subdivision (a) of Section 6591.5 determined on a daily basis by  
2 dividing the modified adjusted rate per annum by 365.

3 (c) For purposes of this section, “board” means the members  
4 of the State Board of Equalization meeting as a public body.

5 (d) For purposes of this section, “business day” means any day  
6 other than a Saturday, Sunday, or any day designated as a state  
7 holiday.

8 (e) This section shall not apply to any payment made pursuant  
9 to a deficiency determination, a determination where no return has  
10 been filed, or a jeopardy determination issued by the board.

11 (f) This section shall only apply to electronic payments of fees.

12 SEC. 23. Section 50112.1 of the Revenue and Taxation Code  
13 is repealed.

14 ~~50112.1.— (a) If the board finds, taking into account all facts~~  
15 ~~and circumstances, that it is inequitable to compute interest at the~~  
16 ~~modified adjusted rate per month or fraction thereof, as defined~~  
17 ~~in subdivision (b) of Section 6591.5, interest shall be computed at~~  
18 ~~the modified adjusted daily rate from the date on which the fee~~  
19 ~~was due until the date of payment, if all of the following occur:~~

20 ~~(1) The payment of the fee was made one business day after the~~  
21 ~~date the fee was due.~~

22 ~~(2) The person was granted relief from all penalties that applied~~  
23 ~~to that fee payment.~~

24 ~~(3) The person files a request for an oral hearing before the~~  
25 ~~board.~~

26 ~~(b) For purposes of this section, “modified adjusted daily rate”~~  
27 ~~means the modified adjusted rate per annum as defined in~~  
28 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
29 ~~dividing the modified adjusted rate per annum by 365.~~

30 ~~(c) For purposes of this section, “board” means the members~~  
31 ~~of the State Board of Equalization meeting as a public body.~~

32 ~~(d) For purposes of this section, “business day” means any day~~  
33 ~~other than a Saturday, Sunday, or any day designated as a state~~  
34 ~~holiday.~~

35 ~~(e) This section shall not apply to any payment made pursuant~~  
36 ~~to a deficiency determination, a determination where no return has~~  
37 ~~been filed or a jeopardy determination issued by the board.~~

38 ~~(f) This section shall only apply to electronic payments of fees.~~

39 ~~(g) This section shall be operative only until January 1, 2016.~~

1 SEC. 24. Section 50112.1 is added to the Revenue and Taxation  
2 Code, to read:

3 50112.1. (a) If the board finds, taking into account all facts  
4 and circumstances, that it is inequitable to compute interest at the  
5 modified adjusted rate per month or fraction thereof, as defined  
6 in subdivision (b) of Section 6591.5, interest shall be computed at  
7 the modified adjusted daily rate from the date on which the fee  
8 was due until the date of payment, if all of the following occur:

9 (1) The payment of the fee was made one business day after the  
10 date the fee was due.

11 (2) The person was granted relief from all penalties that applied  
12 to that fee payment.

13 (3) The person files a request for an oral hearing before the  
14 board.

15 (b) For purposes of this section, “modified adjusted daily rate”  
16 means the modified adjusted rate per annum as defined in  
17 subdivision (a) of Section 6591.5 determined on a daily basis by  
18 dividing the modified adjusted rate per annum by 365.

19 (c) For purposes of this section, “board” means the members  
20 of the State Board of Equalization meeting as a public body.

21 (d) For purposes of this section, “business day” means any day  
22 other than a Saturday, Sunday, or any day designated as a state  
23 holiday.

24 (e) This section shall not apply to any payment made pursuant  
25 to a deficiency determination, a determination where no return has  
26 been filed or a jeopardy determination issued by the board.

27 (f) This section shall only apply to electronic payments of fees.

28 SEC. 25. Section 55042.5 of the Revenue and Taxation Code  
29 is repealed.

30 ~~55042.5.—(a) If the board finds, taking into account all facts~~  
31 ~~and circumstances, that it is inequitable to compute interest at the~~  
32 ~~modified adjusted rate per month or fraction thereof, as defined~~  
33 ~~in subdivision (b) of Section 6591.5, interest shall be computed at~~  
34 ~~the modified adjusted daily rate from the date on which the fee~~  
35 ~~was due until the date of payment, if all of the following occur:~~

36 ~~(1) The payment of the fee was made one business day after the~~  
37 ~~date the fee was due.~~

38 ~~(2) The person was granted relief from all penalties that applied~~  
39 ~~to that fee payment.~~

1     ~~(3) The person files a request for an oral hearing before the~~  
2 ~~board.~~

3     ~~(b) For purposes of this section, “modified adjusted daily rate”~~  
4 ~~means the modified adjusted rate per annum as defined in~~  
5 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
6 ~~dividing the modified adjusted rate per annum by 365.~~

7     ~~(e) For purposes of this section, “board” means the members~~  
8 ~~of the State Board of Equalization meeting as a public body.~~

9     ~~(d) For purposes of this section, “business day” means any day~~  
10 ~~other than a Saturday, Sunday, or any day designated as a state~~  
11 ~~holiday.~~

12     ~~(e) This section shall not apply to any payment made pursuant~~  
13 ~~to a deficiency determination, a determination where no return has~~  
14 ~~been filed or a jeopardy determination issued by the board.~~

15     ~~(f) This section shall only apply to electronic payments of fees.~~

16     ~~(g) This section shall be operative only until January 1, 2016.~~

17     SEC. 26. Section 55042.5 is added to the Revenue and Taxation  
18 Code, to read:

19     55042.5. (a) If the board finds, taking into account all facts  
20 and circumstances, that it is inequitable to compute interest at the  
21 modified adjusted rate per month or fraction thereof, as defined  
22 in subdivision (b) of Section 6591.5, interest shall be computed at  
23 the modified adjusted daily rate from the date on which the fee  
24 was due until the date of payment, if all of the following occur:

25         (1) The payment of the fee was made one business day after the  
26 date the fee was due.

27         (2) The person was granted relief from all penalties that applied  
28 to that fee payment.

29         (3) The person files a request for an oral hearing before the  
30 board.

31         (b) For purposes of this section, “modified adjusted daily rate”  
32 means the modified adjusted rate per annum as defined in  
33 subdivision (a) of Section 6591.5 determined on a daily basis by  
34 dividing the modified adjusted rate per annum by 365.

35         (c) For purposes of this section, “board” means the members  
36 of the State Board of Equalization meeting as a public body.

37         (d) For purposes of this section, “business day” means any day  
38 other than a Saturday, Sunday, or any day designated as a state  
39 holiday.

1 (e) This section shall not apply to any payment made pursuant  
2 to a deficiency determination, a determination where no return has  
3 been filed or a jeopardy determination issued by the board.

4 (f) This section shall only apply to electronic payments of fees.

5 SEC. 27. Section 60207.5 of the Revenue and Taxation Code  
6 is repealed.

7 ~~60207.5.—(a) If the board finds, taking into account all facts~~  
8 ~~and circumstances, that it is inequitable to compute interest at the~~  
9 ~~modified adjusted rate per month or fraction thereof, as defined~~  
10 ~~in subdivision (b) of Section 6591.5, interest shall be computed at~~  
11 ~~the modified adjusted daily rate from the date on which the tax~~  
12 ~~was due until the date of payment, if all of the following occur:~~

13 ~~(1) The payment of tax was made one business day after the~~  
14 ~~date the tax was due.~~

15 ~~(2) The person was granted relief from all penalties that applied~~  
16 ~~to that payment of tax.~~

17 ~~(3) The person files a request for an oral hearing before the~~  
18 ~~board.~~

19 ~~(b) For purposes of this section, “modified adjusted daily rate”~~  
20 ~~means the modified adjusted rate per annum as defined in~~  
21 ~~subdivision (a) of Section 6591.5 determined on a daily basis by~~  
22 ~~dividing the modified adjusted rate per annum by 365.~~

23 ~~(c) For purposes of this section, “board” means the members~~  
24 ~~of the State Board of Equalization meeting as a public body.~~

25 ~~(d) For purposes of this section, “business day” means any day~~  
26 ~~other than a Saturday, Sunday, or any day designated as a state~~  
27 ~~holiday.~~

28 ~~(e) This section shall not apply to any payment made pursuant~~  
29 ~~to a deficiency determination, a determination where no return has~~  
30 ~~been filed or a jeopardy determination issued by the board.~~

31 ~~(f) This section shall only apply to electronic payments of taxes.~~

32 ~~(g) This section shall be operative only until January 1, 2016.~~

33 SEC. 28. Section 60207.5 is added to the Revenue and Taxation  
34 Code, to read:

35 60207.5. (a) If the board finds, taking into account all facts  
36 and circumstances, that it is inequitable to compute interest at the  
37 modified adjusted rate per month or fraction thereof, as defined  
38 in subdivision (b) of Section 6591.5, interest shall be computed at  
39 the modified adjusted daily rate from the date on which the tax  
40 was due until the date of payment, if all of the following occur:

- 1 (1) The payment of tax was made one business day after the  
2 date the tax was due.
- 3 (2) The person was granted relief from all penalties that applied  
4 to that payment of tax.
- 5 (3) The person files a request for an oral hearing before the  
6 board.
- 7 (b) For purposes of this section, “modified adjusted daily rate”  
8 means the modified adjusted rate per annum as defined in  
9 subdivision (a) of Section 6591.5 determined on a daily basis by  
10 dividing the modified adjusted rate per annum by 365.
- 11 (c) For purposes of this section, “board” means the members  
12 of the State Board of Equalization meeting as a public body.
- 13 (d) For purposes of this section, “business day” means any day  
14 other than a Saturday, Sunday, or any day designated as a state  
15 holiday.
- 16 (e) This section shall not apply to any payment made pursuant  
17 to a deficiency determination, a determination where no return has  
18 been filed or a jeopardy determination issued by the board.
- 19 (f) This section shall only apply to electronic payments of taxes.