

AMENDED IN SENATE JUNE 28, 1999
AMENDED IN ASSEMBLY MAY 28, 1999
AMENDED IN ASSEMBLY APRIL 27, 1999
AMENDED IN ASSEMBLY APRIL 5, 1999
AMENDED IN ASSEMBLY MARCH 17, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 41

**Introduced by Assembly Member Wesson
(Coauthors: Assembly Members Calderon, Soto,
Washington, and Zettel)
(Coauthor: Senator Solis)**

December 7, 1998

An act to add Section 19041.5 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 41, as amended, Wesson. Income and bank and corporation taxes: deficiency protest.

Existing law provides for the administration of income and bank and corporation taxes. That law provides that a claim for refund shall be filed within specified timeframes if any tax has been paid or overpaid, as specified.

This bill would ~~allow a taxpayer to make~~ *provide that a* payment of taxes by making a deposit in the nature of a cash bond to stop the running of interest, as specified, ~~and still preserve his or her right, until the conclusion of a hearing~~

~~conducted in accordance with a specified statute, to raise grounds to dispute a deficiency assessment shall not be considered a payment for purposes of a claim for refund or an action until specified events occur, 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 19041.5 is added to the Revenue
2 and Taxation Code, to read:

3 19041.5. (a) Notwithstanding any other provision of
4 this part, Part 10 (commencing with Section 17001), or
5 Part 11 (commencing with Section 23001), any amount
6 paid as a tax or in respect of a tax that is paid after the
7 mailing of a notice of proposed deficiency assessment and
8 designated by the taxpayer as a deposit in the nature of
9 a cash bond made to stop the running of interest, shall not
10 ~~deprive the taxpayer of his or her right, until the~~
11 ~~conclusion of a board hearing conducted in accordance~~
12 ~~with Section 19047, to raise grounds upon which he or she~~
13 ~~disputes the validity of the deficiency assessment. be~~
14 *considered a payment of tax for purposes of filing a claim*
15 *for refund pursuant to Section 19306 or an action pursuant*
16 *to Section 19384 until either of the following occurs:*

17 (1) *The taxpayer provides a written statement to the*
18 *Franchise Tax Board specifying that the deposit shall be*
19 *a payment of tax for purposes of Section 19306, 19335, or*
20 *19384.*

21 (2) *The deficiency assessed becomes due and payable*
22 *in accordance with Section 19049.*

23 (b) The Franchise Tax Board ~~shall~~ *may* promulgate
24 rules and regulations to adopt *applicable* provisions of
25 federal Revenue Procedure 84-58, 1984-2 C.B. 501, for
26 purposes of this section.

