

AMENDED IN SENATE AUGUST 24, 2012

AMENDED IN SENATE AUGUST 16, 2012

AMENDED IN SENATE JUNE 20, 2012

AMENDED IN ASSEMBLY MAY 25, 2012

AMENDED IN ASSEMBLY MAY 2, 2012

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2439

**Introduced by Assembly Member Eng
(Coauthor: Assembly Member Skinner)**

February 24, 2012

An act to add and repeal Section 19573 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2439, as amended, Eng. Corporation taxes: disclosure.

The Personal Income Tax Law and the Corporation Tax Law impose taxes on, or measured by, income. Existing law requires the Franchise Tax Board to make available as a matter of public record each calendar year a list of the 250 largest tax delinquencies in excess of \$100,000, and requires the list to include specified information with respect to each delinquency.

This bill would, on or before December 1, 2013, and annually thereafter until January 1, 2018, require that the Franchise Tax Board publish a list of the 500 largest corporate taxpayers per taxable year, ~~including that includes~~ each taxpayer's tax liability, *charitable*

contribution information, and income apportionment information, as provided. This bill would also make findings and declarations regarding the intent of the Legislature.

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. The Legislature finds and declares all of the
2 following:

3 (a) Publicly traded corporations are required to disclose their
4 federal and state corporation taxes to the federal Securities and
5 Exchange Commission through the Form 10-K. State corporation
6 taxes, however, are aggregated without regard to state, so the
7 information available at the federal level does not specify
8 corporation taxes of particular states.

9 (b) Recent changes in the state's Corporation Tax Law, which
10 provide for the elective use of single-sales factor apportionment,
11 combined with other provisions in this area of tax law, have had
12 little analysis and scrutiny with regard to their impact on taxpayers
13 and California.

14 (c) Therefore, it is the intent of the Legislature, in adding Section
15 19573 to the Revenue and Taxation Code, to supplement federal
16 tax reporting requirements for those corporations filing a Form
17 10-K by requiring the Franchise Tax Board to publish a list of the
18 500 largest corporate taxpayers filing a Form 10-K.

19 SEC. 2. Section 19573 is added to the Revenue and Taxation
20 Code, to read:

21 19573. (a) (1) (A) Notwithstanding any other law, on or
22 before December 1, 2013, and each December 1 thereafter, the
23 Franchise Tax Board shall publish on its Internet Web site a list
24 of the 500 largest taxpayers subject to tax under Part 11
25 (commencing with Section 23001), as measured by gross receipts,
26 less returns and allowances, that filed a Form 10-K with the federal
27 Securities and Exchange Commission for that taxable year. The
28 list shall include the name and tax liability of each taxpayer, *any*
29 *charitable contributions made by the taxpayer*, and whether the
30 taxpayer made an election to apportion its income in accordance
31 with Section 25128.5.

1 (B) The determination of the taxpayers to be included on a list
2 shall be based on timely filed original tax returns for the taxable
3 year at issue. In the case of a taxpayer that is included in a
4 combined report, the determination to include that taxpayer on a
5 list shall be based on the gross receipts, less returns and allowances,
6 of the combined reporting group.

7 (2) The list published on or before December 1, 2013, shall
8 reflect the tax liability, as of October 1, 2013, for the 2010 and
9 2011 taxable years. Each subsequent annual list shall reflect the
10 tax liability for the taxable year that closed two years before the
11 publication of the list.

12 (3) For two years after the publication of a list, the Franchise
13 Tax Board shall, on or before December 1, update that list to reflect
14 any changes in the tax liability of each taxpayer as of October 1
15 of that year.

16 (b) For purposes of this section:

17 (1) "Tax liability" means the amount of tax owed as a result of
18 the taxes imposed under Part 11 (commencing with Section 23001),
19 after the application of any credits and excluding overpayments,
20 estimated tax payments, withholding, and any other amounts paid.

21 (2) "Gross receipts" shall have the same meaning as set forth
22 in Section 25120.

23 (c) This section shall remain in effect only until January 1, 2018,
24 and as of that date is repealed, unless a later enacted statute, that
25 is enacted before January 1, 2018, deletes or extends that date.