SENATE BILL No. 1326

Introduced by Senator Harman

February 23, 2012

An act to add Section 39 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 1326, as introduced, Harman. Tax information: administration.

Existing law imposes various taxes that are administered by the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department.

This bill would require the Franchise Tax Board, the State Board of Equalization, and the Employment Development Department to collaborate and focus the agencies' current and future information technology efforts on developing a single Internet Web site portal that virtually consolidates the agencies to enable online, self-service access to the agencies, as provided. This bill would also require, wherever operationally feasible, these agencies to consolidate forms, applications, and other documents to reduce, or eliminate, the number of multiple submissions of the same information by taxpayers.

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

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

SECTION 1. The Legislature finds and declares all of the following:

(a) California relies on three separate state agencies to administer and enforce its major taxes.

(b) To obtain assistance and comply with California's tax laws, policies, and procedures, many taxpayers must interact with all three agencies, and frequently with multiple departments within those agencies.

(c) While this system has performed reasonably well in many respects, the multiagency nature of the system is prone to certain inherent problems, difficulties, and inefficiencies, and is particularly complex for taxpayers required to comply with California's tax laws.

(d) Over the past decades, numerous reports have been prepared and various legislative proposals have been considered on the topic of coordination and cooperation among these three agencies. The focus of these efforts range from relatively minor aspects of increased cooperation to proposals for full consolidation of the agencies under "one roof."

(e) Focusing on the customer should be a core element of California's tax administration. Taxpayers should not have to understand complex government structures and relationships in order to interact with the government, particularly in a sensitive area like taxes.

(f) The California Tax Service Center, available at www.taxes.ca.gov, provides an assortment of independent departmental forms, returns, and links, tied together by a common homepage on the Internet, and is intended to provide California taxpayers with resources and educational programs with a goal as a one-stop tax assistance hub.

(g) The California Tax Service Center can be used to better serve California's taxpaying community by virtually consolidating the three agencies' operations to enable them to appear as one unified organization with the goal of providing a seamless experience for taxpayers in their online interactions with the agencies.

(h) It is therefore in California's best interest to develop a web-based, taxpayer-focused system that virtually consolidates the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. In developing a taxpayer-focused system, the fundamental objective should be a platform providing an integrated experience for taxpayers, to enable online self-service access with a single logon for all three agencies, and to provide pertinent and essential information that will enable taxpayers to satisfy their payment and reporting obligations, obtain real time information pertinent to their individual accounts, and provide assistance that will enable taxpayers to achieve optimum compliance with California's complex tax system.

SEC. 2. Section 39 is added to the Revenue and Taxation Code, to read:

39. The board, the Franchise Tax Board, and the Employment Development Department shall collaborate and focus their current and future information technology efforts on developing a single web-based portal that virtually consolidates the agencies to enable online, self-service access through a single logon for taxpayers to electronically file returns, submit forms or other information, remit amounts due, determine account balances and due dates of taxes, identify the status of any appeal, claim for refund, request for relief of interest or penalty, and any other information the agencies deem helpful to the taxpayer to assist in compliance with the state's tax laws. As part of this effort, wherever operationally feasible, these agencies shall also consolidate forms, applications, and other documents to reduce, or eliminate, the number of multiple submissions of the same information by taxpayers.

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