



STATE BOARD OF EQUALIZATION

STAFF LEGISLATIVE ENROLLED BILL ANALYSIS

Date Amended:	Enrolled	Bill No:	AB 3071
Tax:	Sales and Use Tax	Author:	Assembly Revenue and Taxation Committee
Related Bills:			

This analysis will only address the bill's provisions that impact the Board.

BILL SUMMARY

This bill would repeal obsolete Section 7057 of the Revenue and Taxation Code.

ANALYSIS

Current Law

Section 7057 of the Revenue and Taxation Code requires the Board to ascertain whether or not a person registering for a seller's permit is required to register as an employer under Section 1086 of the Unemployment Insurance Code, and register the person accordingly. Seller's permit applications currently used by the Board request taxpayers to answer several questions related to employment taxes. These questions were included on the Board's applications so the Board could comply with the requirements of Section 7057. When information provided by the applicant indicated they also needed to register as an employer, the seller's permit application was photocopied and forwarded to the Employment Development Department (EDD).

Proposed Law

Among its provisions, this bill would repeal Section 7057 of the Revenue and Taxation Code so that the Board would no longer be required to ascertain whether an applicant for a seller's permit is required to register as an employer with the EDD.

This bill also contains unrelated state income tax provisions that are not discussed in this analysis.

Background

In late 2000, EDD requested that the Board no longer provide them with photocopies of seller's permit applications since they no longer utilized them to register taxpayers for employment taxes. A letter dated October 10, 2003 from EDD Director, Mr. Michael Bernick, confirms EDD no longer requires the Board to provide them with this information. According to Mr. Bernick, photocopies of seller's permit applications are not useful to EDD since most employers register with EDD directly. Since EDD no longer requires the Board to register employers as required in Section 7057, this section is obsolete.

This staff analysis is provided to address various administrative, cost, revenue and policy issues; it is not to be construed to reflect or suggest the Board's formal position.

COMMENT

Sponsor and Purpose. This provision of the bill is sponsored by Board Member John Chiang. The purpose is to repeal an obsolete section of the Revenue and Taxation Code.

COST ESTIMATE

There are no costs associated with this bill.

REVENUE ESTIMATE

This bill would have no impact on state revenues.

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