

EXHIBIT B

DESCRIPTION OF PROPOSED AMENDMENTS

5020 - Adds the new Ballast Water Management Fee and deletes the Hazardous Spill Prevention Fee. Amends statutory references where needed.

5023 - Provides additional guidance regarding the appeals conference procedures, in particular: rescheduling and postponing appeals conferences, failure to respond or appear, and submission of documents. Amends statutory references where needed.

5030 - Adds the new Ballast Water Management Fee and deletes the Hazardous Spill Prevention Fee. For consistency with the other programs listed, changes the Timber Yield Tax citation from just those sections dealing with jeopardy determination to one that references the Timber Yield Tax Law. Amends statutory references where needed.

5043 - Deletes the hyphen between “state assesses.”

5051 and 5053 - Regulation 5051 currently makes the filing of a statement of legal authorities permissive, while Regulation 5053 requires the assessor, at the request of the Chief, Board Proceedings Division, to file a written answer to the application and a statement of legal authorities. The proposed amendment would require both the applicant and the assessor to file a statement of legal authorities. Deletes the statement regarding written findings and decision because under current practice a written findings and decision is issued in all instances when a review, equalization and adjustment of the taxable property of a county, city or municipal corporation is completed. The information regarding written findings and decisions is added to Regulation 5081.2(c), which addresses notices of Board decisions.

5063 - Provides for a meeting for the purpose of establishing the agreed upon and contested facts and the legal issues under consideration.

5071 - Adds the new Ballast Water Management Fee and deletes the Hazardous Spill Prevention Fee. Adds a hyphen to “State-Assessed Property.” Amends statutory references where needed.

5075.1 - Provides that the Board or Board Staff may request additional briefing or evidence from either party. Board Staff has recently encountered opening briefs that have little or no discussion or evidence regarding the matters in dispute. The purpose of this amendment is to provide the opposing party with sufficient information with which to prepare a responsive brief and to provide the Board with sufficient evidence with which to render a decision. Given time limitations on Board hearings, the parties cannot wait until the hearing itself to provide the available evidence. The briefing and evidence must provide the Board Members with a general understanding of the disputed issues and the supporting evidence prior to the hearing. If Board Staff rather than the Board requests additional FTB briefing, the taxpayer shall have the opportunity to submit the final response. If the Board Members make a request for additional briefing, the opportunity for a final response is determined by the Board.

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5076.1 - Deletes “the issuance of” because a decision does not become final for 30 days after it is issued.

5079 - Clarifies that “any analysis, discussion or arguments concerning the relevance of the evidence or decision” will also be sent to the Board Members and the other party and that the Board or Board Staff will permit the other party an opportunity to submit a response. Changes “which” to “that.” Amends statutory references where needed.

5081 - Provides that, in the event of a tie vote, the Chairman may leave the roll open until the conclusion of the Board meeting in order to allow the absent Member or Members to be present at the meeting and vote. Amends statutory references where needed.

5081.2 - Clarifies when a written findings and decision will be rendered. A written findings and decision is sent in all instances when a review, equalization and adjustment of the taxable property of a county, city or municipal corporation is completed.

5090 - Adds the new Ballast Water Management Fee, Private Railroad Car Tax and Timber Yield Tax. Deletes the Hazardous Spill Prevention Fee. Amends statutory references where needed.

5091 - Amends the regulation to reflect the statutory change that expenses incurred after the date of the filing of the notice of determination or the jeopardy determination are eligible for reimbursement. Adds reference to Timber Yield Tax. Amends statutory references where needed.

5093 - Deletes subdivision (e), Submissions to the Board, since this subdivision is not needed now that Taxpayers’ Bill of Rights hearings are no longer bifurcated. A taxpayer who wants an oral Taxpayers’ Bill of Rights hearing may have a hearing without prior consideration of the request by the Board. For consistency, capitalizes the word “staff.” Amends statutory references where needed.

5094 - In order to facilitate better scheduling, provides that the taxpayer will be scheduled for an oral hearing if it is requested, rather than providing that the taxpayer will be scheduled for an oral hearing unless hearing is waived. Amends statutory references where needed.

5095 - Revenue and Taxation Code section 21013, addressing appeals from actions of the Franchise Tax Board, requires that the public record be available prior to the effective date of the determination, rather than the effective date of the award as provided in the Taxpayers’ Bill of Rights of other tax and fee programs. This regulation is being amended to reflect that distinction. Amends statutory references where needed.