



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

March 24, 2014

Assembly Member Raul Bocanegra, Chair
Assembly Committee on Revenue and Taxation
1020 N Street, Room 167A
Sacramento, CA 95814

RE: ASSEMBLY BILL 2065 (GORELL) - FTB: TIMELINESS PENALTY: ABATEMENT • SPONSOR •

Dear Assembly Member Bocanegra,

I am writing to urge your support of Assembly Bill 2065, which requires the Franchise Tax Board (FTB) to waive a failure-to-file or failure-to-pay timeliness penalty upon taxpayer request. This would be allowed when certain circumstances are met, including instances where the taxpayer has paid, or is in a current arrangement to pay, all tax due and the FTB has not imposed a timeliness penalty in the year of the request or the prior four years.

As you are aware, the State Board of Equalization hears FTB appeals. Quite frequently, taxpayers come before the Board to request a waiver of penalties. Thus, this measure is a matter of common sense given that, according to the FTB, over the last two years, the FTB's legal division has received approximately 300 appeal cases where one of the issues is a timeliness penalty that would be eligible for relief. There are approximately 180 open appeal cases in this same category. It is clear that this legislation would significantly reduce the volume of cases that are appealed.

I am pleased to sponsor AB 2065 and urge your "aye" vote when it is heard before the Assembly Revenue and Taxation Committee on April 7th.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Runner".

GEORGE RUNNER
Second District

cc: Asm. Jeff Gorell
Julia King, Assembly Republican Consultant