



**SEN. GEORGE RUNNER (RET.)**

VICE CHAIR  
STATE BOARD OF EQUALIZATION  
**CALIFORNIA'S TAX BOARD**

April 20, 2015

Senator Robert Hertzberg, Chair  
Senate Committee on Governance and Finance  
State Capitol, Room 408  
Sacramento, CA 95814

**RE: SENATE BILL 526 (FULLER) – FTB: JOINT RETURNS: RELIEF FROM LIABILITY - SPONSOR -**

Dear Senator Hertzberg,

I am pleased to sponsor Senate Bill 526, which authorizes the Franchise Tax Board (FTB) to consider divorce agreements where the other spouse has the sole legal obligation to pay an outstanding tax liability as a factor weighing in favor of granting equitable relief to the other spouse with regard to the collection of that liability.

Existing federal and state laws provide that taxpayers who file a joint return are each responsible for the accuracy of the return and are jointly and severally liable for the full tax liability for that tax year. This obligation applies whether the correct amount of the tax is reported on the original return or whether the taxing authority subsequently assesses additional tax for the tax year in question.

Additionally, existing federal and state laws provide for relief from joint and several liabilities on a joint income tax return. However, unlike federal law, state law provides that the liability may be revised by the court in a proceeding for dissolution of the marriage if the order meets certain conditions.

Under current law, the FTB follows a divorce court order only if the order meets the requirements of Revenue and Taxation Code section 19006(b), which specifies a variety of onerous conditions that a spouse must meet for the order to be valid and enforceable.

Authorizing the FTB to consider divorce agreements when granting equitable relief will reduce the amount of additional litigation—as well as appeals brought before the Board of Equalization—because under the current provisions the innocent spouse's only recourse is to take his/her former spouse back to court.

Although the provisions of the bill apply to either spouse, the vast majority of cases affect women. Therefore, SB 526 will assist in easing the financial burden of divorced women who, through the divorce agreement, have no legal obligation to pay the tax. Therefore, I urge your "aye" vote when the bill is heard in your committee on April 29.

Sincerely,

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

GEORGE RUNNER  
1<sup>st</sup> District