

**FRANCHISE TAX BOARD
2023 RULEMAKING CALENDAR**

**New Regulations Added to the 2023 Rulemaking Calendar Not Yet
Approved by the Board**

- **Amendment to California Code of Regulations (CCR) Sections 23701, 23772, 23775 through 23778 – Exempt Organizations**

**SCHEDULE B: PROPOSED REGULATIONS IMPLEMENTING
STATUTES ENACTED PRIOR TO THE YEAR 2022**

**Subject: Market-based Rules – Personal Income Tax Sourcing and
Withholding Provisions**

California Code of Regulations Title and Sections Affected: Title 18,
Sections 17951-5, 17951-8

Statute(s) Being Implemented: Rev. and Tax. Code Section 17951

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Natasha Page, (916) 845-6729

Projected Notice Publication Date: 04/23

Projected Public Hearing Date: 06/23

Projected Adoption by Your Agency Date: 08/23

Projected To OAL for Review Date: 12/23

**Report on the Status of all Uncompleted Rulemaking Described on
Previous Calendars:** Staff held an interested parties meeting on October
8, 2020. Staff anticipates requesting permission to proceed to the formal
regulatory process from the three-member Board spring 2023.

Subject: Nontaxable Exchanges

California Code of Regulations Title and Sections Affected: Title 18,
Sections 17951-7, 25137(e)

Statute(s) Being Implemented: Rev. and Tax. Code Sections 17951 and
25137

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Natasha Page, (916) 845-6729

Projected Notice Publication Date: 8/23

Projected Public Hearing Date: 10/23

Projected Adoption by Your Agency Date: 12/23

Projected To OAL for Review Date: 05/24

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: Interested parties meetings were held on February 3, 2016, and March 30, 2021. Staff anticipates holding a third interested parties meeting in December 2022.

Subject: Other State Tax Credit

California Code of Regulations Title and Sections Affected: Title 18, Section 18001-1

Statute(s) Being Implemented: Rev. and Tax. Code Section 18001

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Desiree Macedo, (916) 845-7193

Projected Notice Publication Date: 12/22

Projected Public Hearing Date: 02/23

Projected Adoption by Your Agency Date: 04/23

Projected To OAL for Review Date: 8/23

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: Interested parties meetings were held August 7, 2019, and July 30, 2020. Staff received permission to proceed to the formal regulatory process from the three-member Board at the FTB meeting on June 3, 2021. Staff anticipates publishing the Notice of Proposed Rulemaking by late 2022.

Subject: Extension Period for Partnership Returns

California Code of Regulations Title and Sections Affected: Title 18, Sections 18567

Statute(s) Being Implemented: Rev. and Tax. Code Section 18567

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Brian Werking, (916) 845-5685

Projected Notice Publication Date: 03/23

Projected Public Hearing Date: 05/23

Projected Adoption by Your Agency Date: 07/23

Projected To OAL for Review Date: 11/23

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: Staff requested and received permission at the December 7, 2017, meeting of the Franchise Tax Board to proceed to the formal regulatory process on this project. Staff expects to publish a Notice of Proposed Rulemaking in early 2023.

Subject: Domestic Pass-Through Entity Withholding

California Code of Regulations Title and Sections Affected: Title 18, Section 18662-0 through 18662-8, as applicable

Statute(s) Being Implemented: Rev. and Tax. Code Section 18662

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Leah Thyberg, (916) 845-3617

Projected Notice Publication Date: 09/23

Projected Public Hearing Date: 11/23

Projected Adoption by Your Agency Date: 01/24

Projected To OAL for Review Date: 05/24

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: Interested parties meetings were held on December 12, 2014, and September 8, 2017. Staff received permission to proceed to the formal regulatory process at the FTB meeting on September 9, 2021. Staff determined further revisions to the regulation language were necessary and anticipates publishing a Notice seeking public comment on proposed revisions by December 2022.

Subject: Exempt Organizations

California Code of Regulations Title and Sections Affected: Title 18, sections 23701, 23772, 23775 through 23778

Statute(s) Being Implemented: Rev. and Tax. Code Sections 23701, 23772, 23775 through 23778

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: D'Arcy Dewey, (916) 845-7457

Projected Notice Publication Date: 7/24

Projected Public Hearing Date: 9/24

Projected Adoption by Your Agency Date: 11/24

Projected To OAL for Review Date: 4/25

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: N/A

Subject: Market Based Rules for Sales Other than Sales of Tangible Personal Property

California Code of Regulations Title and Sections Affected: Title 18, Section 25136-2

Statute(s) Being Implemented: Rev. and Tax. Code Section 25136

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Thomas Lo Grossman, (916) 845-3629

Projected Notice Publication Date: 03/23

Projected Public Hearing Date: 05/23

Projected Adoption by Your Agency Date: 07/23

Projected To OAL for Review Date: 12/23

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: The Franchise Tax Board approved this project at its December 4, 2014, meeting. Amendments were approved by the Office of Administrative Law on September 15, 2016. Interested parties meetings on the subsequent project for possible additional amendments to the regulation were held on January 20, 2017, June 16, 2017, March 30, 2018, July 19, 2019, July 21, 2020, and June 4, 2021. Staff received permission to proceed to the formal regulatory process at the FTB meeting on September 9, 2021. Staff anticipates publishing the Notice of Proposed Rulemaking in March 2023.

Subject: Alternative Apportionment Method Petition Procedures

California Code of Regulations Title and Sections Affected: Title 18, Section 25137

Statute(s) Being Implemented: Rev. and Tax. Code Sections 25137

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Hanna Cho, (916) 845-7298,

Projected Notice Publication Date: 12/22

Projected Public Hearing Date: 02/23

Projected Adoption by Your Agency Date: 04/23

Projected To OAL for Review Date: 11/23

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: Staff held interested parties meetings on June 30, 2017, November 26, 2018, December 4, 2019, and August 11, 2020. Staff received permission to proceed to the formal regulatory process from the three-member Board at the FTB meeting on March 4, 2021. Staff anticipates publishing the Notice of Proposed Rulemaking in late 2022.

Subject: Mutual Fund Service Providers and Asset Management Service Providers

California Code of Regulations Title and Sections Affected: Title 18, Section 25137-14

Statute(s) Being Implemented: Rev. and Tax. Code Sections 25137

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Brian Beck, (916) 845-7008, Ryan Ivanusich, (916) 845-3050

Projected Notice Publication Date: 03/23

Projected Public Hearing Date: 05/23

Projected Adoption by Your Agency Date: 09/23

Projected To OAL for Review Date: 02/24

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: This is a project to explore adding a definition of “beneficial owner” to clarify the application of the regulation to asset managers that provide services to Regulated Investment Companies.

Subject: Architectural and Engineering Services

California Code of Regulations Title and Sections Affected: Title 18, Sections 17001.1 through 17001.11

Statute(s) Being Implemented: Public Contract Code 10351, Government Code 4525, 4526

Responsible Agency Unit: Legal Division

Contact Person and Phone Number: Wendy Dezzani (916) 845-5692, Dennis Haase (916) 845-3187

Projected Notice Publication Date: 04/23

Projected Public Hearing Date: 06/23

Projected Adoption by Your Agency Date: 08/23

Projected To OAL for Review Date: 12/23

Report on the Status of all Uncompleted Rulemaking Described on Previous Calendars: Staff anticipates publishing a notice requesting comments in mid-2023.