

FRANCHISE TAX BOARD MEETING
Taxpayers' Bill of Rights Hearing
December 2, 2021

The Franchise Tax Board virtually met in open session at 1:30 p.m. at the Franchise Tax Board, 9646 Butterfield Way, in Sacramento, California. Present were Controller Betty T. Yee (via video conference), Deputy Controller Yvette Stowers (via video conference), Hon. Antonio Vazquez (via teleconference), and Deputy Member Gayle Miller (via teleconference/video conference), Department of Finance, for Member Bosler.

Franchise Tax Board Staff Participating:

Selvi Stanislaus, Jozel Brunett, Shane Hofeling, Cristina Rubalcava, Jennifer Roussel, Jose Orozco, Annette Kunze, Red Gobuty, and Brenda Voet

Others Participating:

Lynn Freer - Spidell Publishing
Christine Grab - Taxpayer
Rex Halverson – Rex Halverson & Associates
Joyce Cheng – California Society of Enrolled Agents

Item 1. – Approval of Minutes

The minutes of the September 9, 2021 Franchise Tax Board meeting were approved 2-0.

Item 2. – EDR2 Update

The Board received a PowerPoint presentation on an EDR2 Update.

Item 3. – Legislative Matters

The Board received a staff report on the 2022 Legislative Proposal regarding a proposal to expand the eligibility of taxpayers to participate in the Franchise Tax Board's Installment Agreement program. The Board voted 2-0 to approve staff's Legislative Proposal.

Item 4. – Regulation Matter

The Board received a staff report on the 2022 Rulemaking Calendar. The Board voted 2-0 to approve the FTB's 2022 Rulemaking Calendar.

Item 5. – Taxpayers' Bill of Rights Hearing

Controller Yee provided opening remarks describing this annual hearing, which is required by law, and stated that Franchise Tax Board's staff members were present to respond to any questions, which may be raised as a result of taxpayer proposals.

Brenda Voet, Taxpayers' Rights Advocate, provided opening comments and touched upon how last year, CSEA raised concerns about how FTB was providing healthcare mandate information. This led to the creation of a one-step webpage which contained helpful

information and links to videos and a penalty estimator tool. Brenda then ensured that a written response from the department to all of the issues raised at the hearing would be sent out by February 1, 2022.

Lynn Freer – Spidell Publishing

Ms. Freer provided comments on the FTB's website and webpages regarding Assembly Bill ("AB") 80 and AB 150.

Christine Grab – Taxpayer

Ms. Grab provided several comments and proposals related to FTB's collection activities, notices, and the FTB's Taxpayer Advocate website.

Rex Halverson – Rex Halverson & Associates

Mr. Halverson provided comments on AB 150 along with some legislative proposals to increase application of the Pass Through Entity Tax and credit. In addition, Mr. Halverson commented on MyFTB and concerns with the POA process for representatives.

Joyce Cheng – California Society of Enrolled Agents (CSEA)

Ms. Cheng also provided comments on AB 150 and agreed with Mr. Halverson's suggestions for amending AB 150. Ms. Cheng also raised a concern with the FTB's Non-Filer Compliance program and requested the FTB to implement additional procedures to make more accurate assessments.

Item 6. – Executive Officer's Time

Selvi Stanislaus thanked her FTB family for all their great work during this pandemic, to include successfully postponing the tax filing and payment date from April 15, 2001 to May 17, 2001. She touched on how successful the filing season was and how FTB took on the huge and most rewarding task of the year, to administer the Golden State Stimulus payments to eligible Californians. Ms. Stanislaus also touched on FTB's education efforts and how FTB has given several presentations on income tax filing requirements. She also provided an example as where FTB received recognition for its stellar customer service. She finished off her presentation with thanking the Board Members for their continued support, guidance and leadership.

Item 7. – Board Members' Time

Board Member Vazquez echoed Selvi in her kudos and that several constituents and taxpayers have called his office about situations and he has shared those and passed them on to FTB staff, who have been really good about troubleshooting and advocating on their behalf.

Board Member Miller also stated that she has had a great privilege to work with FTB and has learned a lot from the FTB team. She expressed support and appreciation for the Taxpayers' Bill of Rights hearings. She is also grateful that we all do better when we commit to working together and that FTB has set a great model for that.

Controller Yee added that it has been a wonderful year working in the midst of such challenges around us and that FTB has really modeled well the importance of the health and safety of our people. Controller Yee thanked Selvi and her team, the Governor and the Legislature and that it has been an honor working with FTB. She too, looks forward to meeting in person next year, but also knows that we are going to continue to hold paramount the health and safety of our team members and the public at large.

After the conclusion of Closed Session, Controller Yee adjourned the meeting at 2:38 p.m.

Board Liaison

Date