

FRANCHISE TAX BOARD MEETING

June 26, 2023

The Franchise Tax Board met in open session at 10:30 a.m. at the Franchise Tax Board, 9646 Butterfield Way, in Sacramento, California. Present were Controller Malia M. Cohen, Deputy State Controller Hasib Emran, Member Antonio Vazquez, Deputy Member Erica Gonzales and Deputy Member Gayle Miller for Member Stephenshaw.

Franchise Tax Board Staff Participating:

Selvi Stanislaus, Jozel Brunett, Shane Hofeling, Cristina Rubalcava, Jessica Clayton, Jennifer Barton, Michael Banuelos, Denis Armstrong, Roger Lackey, Irina Iskander Krasavtseva, and Delinda Tamagni.

Others Participating:

Jon Sperring – PricewaterhouseCoopers
Chris Whitney – PricewaterhouseCoopers

Item 1. – Approval of Minutes

The minutes of the March 28, 2023 Franchise Tax Board meeting were approved 2-0.

Item 2. – FTB 2022 Awards

The Board received a PowerPoint presentation on the FTB 2022 Awards.

Item 3. – Administrative Matters

The Board received a staff report for the 2024/25 Conceptual Budget Change Proposals:

1. EDR2
2. Compliance & Revenue Resources
3. Political Reform Audit Resources
4. Mainframe Storage Refresh
5. Disaster Recovery Site Network Refresh
6. Campus Security Guards
7. Customer Callback Software Refresh

The Board also received a staff report on the request for Board approval for a Facility Action Request for the Van Nuys Field Office.

The Board voted 3-0 to approve the Facility Action Request.

Item 4. – Executive Officer's Time

Selvi Stanislaus provided updates on the current filing season and the Middle Class Tax Refund (MCTR) program. She shared that as of June 17, 2023, FTB processed 16.6 million personal income tax returns, with 93.3 percent of those e-filed, 12.6 million refunds, with an average refund of \$1,400. Approximately 90 percent of the refunds were issued in under ten days.

Selvi also shared that FTB has made several important improvements to assist taxpayers this year. FTB expanded the number of notices eligible for paperless delivery through a MyFTB account. FTB also began offering a virtual hold call-back function on the Tax Practitioner's hotline, which resulted in improvements in their wait times. The VITA Team and volunteers attended 20 community events and served 875 customers by preparing approximately 970 returns.

Selvi shared that with our partners from the State Controller's Office, the State Treasurer's Office, and Money Network, FTB successfully delivered 16.8 million payments to taxpayers at a value of \$9.2 billion. 7.2 million of these payments were delivered directly to taxpayers' bank accounts, while 9.6 million payments were delivered to taxpayers by debit card.

Selvi concluded with expressing her gratitude to the Board Members.

Item 5. – Board Members' Time

Member Vazquez stated that he is interested in bringing back the Mobile Volunteer Unit during the filing season. He then thanked Selvi for sending him the list of the proposed legislative bills to expand and assist the VITA program. He asked about the status of SB 220 and asked how SB 565 will expand the online services that are currently provided by FTB. FTB's Legislative Director, Denis Armstrong and Mr. Hofeling addressed those questions.

Controller Cohen acknowledged the celebration, the importance, and the national holiday for Juneteenth. She also recognized Pride month and the life achievements and the struggle of the LGBTQIA+ movement and the African American Community.

Controller Cohen then introduced a new member of her staff, Ms. Windie Scott, who is a retired annuitant coming on board to provide advice and counsel.

The Board recessed for 17-minutes at 11:28 a.m. and reconvened at 11:45 a.m.

Item 6. – 25137 Petition Hearing – Daimler North American Corporation and Subsidiaries

The Board heard a Section 25137 Petition from Jon Sperring and Chris Whitney from PricewaterhouseCoopers, representing the Petitioner, Daimler North American Corporation and Subsidiaries.

Irina Iskander Krasavtseva and Delinda Tamagni represented the Department.

The Board discussed the matter and continued the 25137 Petition Hearing to allow both Parties to gather and review more documents.

Controller Cohen adjourned the meeting at 1:30 p.m.

Board Liaison

Date