

# FRANCHISE TAX BOARD MEETING

September 9, 2024

The Franchise Tax Board met in open session at 1:00 p.m. at the Franchise Tax Board, 9646 Butterfield Way, in Sacramento, California. Present were Deputy State Controller Hasib Emran for Controller Malia Cohen, Member Sally J. Lieber, and Member Michele Perrault, Department of Finance, for Member Stephenshaw.

## **Franchise Tax Board Staff Participating:**

Selvi Stanislaus, Jozel Brunett, Shane Hofeling, Cristina Rubalcava, Thi Luong, Jennifer Barton, Michael Banuelos, Richard Siemers, Mina Mohaddess, Denis Armstrong, Erin Dendorfer, Daryl Lee, Scott Reid, Lasaro Saldana, Jeanne Harriman and Roger Lackey.

## **Other Participants:**

Christina Grab - Taxpayer

Teri Olle - Economic Security California Action

Vanessa Orozco – Golden State Opportunity

Stephanie Ruscigno – Disabled American Veterans Volunteer

Linda Swank – End Child Poverty in California

Danielle Bautista – United Ways of California

## **Item 1. – Approval of Minutes**

The minutes of the June 24, 2024 Franchise Tax Board meeting were approved 3-0.

## **Item 2. – Administrative Matters**

The Board received a staff request on the following 2025-26 Budget Change Proposals for Board approval:

1. Enterprise Data to Revenue Phase 2 (EDR2)
2. Political Reform Audit Resources
3. Financial Information System for California (FI\$Cal) 2.0
4. Campus Security Guards
5. Mainframe Storage Hardware/Software Refresh
6. Contact Center Platform and Customer Callback Software Refresh
7. Field Office Leases

The Board voted 2-0 to approve the 2025/26 Budget Change Proposals, noting Member Perrault did not participate in the vote.

During this item, a telephone comment was received by Taxpayer, Christina Grab with regard to FI\$Cal.

The Board received a staff request on the following Contracts Over \$2 Million for Board approval:

1. Cisco Enterprise Agreement
2. IBM Passport Advantage Renewal

The Board voted 3-0 to approve the Contracts Over \$2 Million.

The Board also received a staff request on the following Facility Action Request for Board approval:

1. Security Upgrades

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

### **Item 3. – Regulation Matter**

The Board received a staff report on proposed regulations under California Code of Regulations, Title 18, Sections 17951-5 & 17951-8 - Market Based Sourcing Rules for Personal Income Tax and a request for Board approval to begin the formal rulemaking process.

The Board voted 3-0 to approve Staff's request to begin the formal rulemaking process for the proposed regulations.

### **Item 4. – Legislative Update**

The Board received a staff report on the Legislative Update.

### **Item 5. – FTB 2021-2025 Strategic Plan Update: Goal 1 – Exceptional Service**

The Board received a staff report on the FTB 2021-2025 Strategic Plan Update: Goal 1 – Exceptional Service.

**The Board recessed for 10-minutes at 1:59 p.m. and reconvened at 2:09 p.m.**

### **Item 6. - Identity Theft Prevention**

The Board received a staff report on Identity Theft Prevention.

During this item, a public comment was received by Stephanie Ruscigno from Sutter County thanking FTB for taking identity theft seriously and asking if FTB can partner up with the VA.

### **Item 7. – All-of-Government Approach to Increase CalEITC Utilization and Related Programs**

Member Lieber introduced the agenda item with some opening remarks. Upon the conclusion of Member Lieber's remarks, the Board received a staff report on the following:

- A. Update on CalEITC Outreach Efforts
- B. Update on FTB's Efforts to Work with IRS Direct File Portal

Public comments were received by the following individuals:

Christine Grab called in inquiring about the \$10.5 million FTB approved to be used to notify low-income people that they might qualify for a CalEITC credit.

Teri Olle with Economic Security California Action called in commending the FTB for being an amazing leader and maximizing the opportunity for people to get the tax credits they need and qualify for. Teri also touched on VITA and how important it is.

Vanessa Orozco with Golden State Opportunity called in thanking the FTB and elaborated on the importance of the Federal Child Tax Credit, Foster Youth Tax Credit and the Federal Earned Income Tax Credit.

Linda Swank with End Child Poverty in California called in thanking FTB for the work done to increase uptake and improve accessibility of California's anti-poverty tax credits, such as the CalEITC Young Child Tax Credit and Foster Youth Tax Credit, and for integrating CalFile with the IRS Direct File pilot.

Danielle Bautista with United Ways of California called in thanking and supporting FTB in the integration of CalFile and IRS's Direct File.

#### **Item 8. – Executive Officer's Time**

Selvi Stanislaus honored and celebrated Jozel Brunett as she prepares for her retirement. Jozel Brunett thanked Selvi, her FTB colleagues and her family members.

Deputy State Controller Hasib Emran read the Board's Resolution, on the occasion of her retirement, acknowledging Jozel's years of dedication and service to the people of California. The Board members congratulated Jozel on her retirement.

#### **Item 9. – Board Members' Time**

Member Lieber thanked the FTB staff and asked for a possible short hearing in December, before the regular Board meeting, that would be on the topic of work, assets, and the safety net.

Deputy State Controller Emran touched on the 23rd anniversary of 9/11, remembering the nearly 2,000 beautiful lives taken from us.

Deputy State Controller Emran adjourned the meeting at 3:46 p.m.

---

Board Liaison

---

Date