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SB-11 Taxes: interest: penalties. (2017-2018)

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Date Published: 09/02/2017 04:00 AM

ENROLLED SEPTEMBER 01, 2017
PASSED IN SENATE AUGUST 31, 2017
PASSED IN ASSEMBLY AUGUST 24, 2017
AMENDED IN ASSEMBLY JULY 05, 2017
AMENDED IN SENATE MAY 09, 2017
AMENDED IN SENATE APRIL 26, 2017
AMENDED IN SENATE APRIL 17, 2017

CALIFORNIA LEGISLATURE— 2017–2018 REGULAR SESSION

SENATE BILL

NO. 11

Introduced by Senator Gaines

December 05, 2016

An act to add Sections 6595, 7658.3, 8879.5, 30284.5, 32257.5, 40104.5, 41098.5, 43157.5, 45155.5, 46156.5, 50111.5, 55044.5, and 60213 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 11, Gaines. Taxes: interest: penalties.

Existing law requires the State Board of Equalization to administer various taxes, surcharges, and fees, including the Sales and Use Tax Law, the Motor Vehicle Fuel Tax Law, the Use Fuel Tax Law, the Cigarette and Tobacco Products Tax Law, the Alcoholic Beverage Tax Law, the Energy Resources Surcharge Law, the Emergency Telephone Users Surcharge Law, the Hazardous Substances Tax Law, the Integrated Waste Management Fee Law, the Oil Spill Response, Prevention, and Administration Fees Law, the Underground Storage Tank Maintenance Fee Law, the Fee Collection Procedures Law, and the Diesel Fuel Tax Law. Existing law requires the payment of penalties and interest for a failure to timely pay taxes, from the date on which those amounts became due and payable to the state until the date of payment.

This bill would prohibit, as of specified dates under the laws listed above, the assessment of interest and specified penalties against any person for failure to timely file a return or make payments of any taxes, surcharges, or fees imposed under those laws if the failure to timely file a return or make a payment is attributable to the failure of the State Board of Equalization's or its successor agency's Internet Web site, as provided, unless the person fails to file a return or pay the amount of tax within a

reasonable time after the conclusion of the outage period. The bill would only permit interest or penalty relief if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person. The bill would make these provisions operative on specified dates subject to a specified contingency, and would require the board or its successor agency to post notice of the operation of these provisions on its Internet Web site.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 6595 is added to the Revenue and Taxation Code, to read:

6595. (a) Beginning July 1, 2018, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of tax imposed under this part is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 6476, 6477, 6479.3, 6480.4, and 6591 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of tax within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2018, or (2) prior to July 1, 2018, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the tax imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 2. Section 7658.3 is added to the Revenue and Taxation Code, to read:

7658.3. (a) Beginning July 1, 2019, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of tax imposed under this part is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 7655, 7659.5, 7659.6, and 7659.9 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of tax within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2019, or (2) prior to July 1, 2019, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the tax imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 3. Section 8879.5 is added to the Revenue and Taxation Code, to read:

8879.5. (a) Beginning July 1, 2019, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of tax imposed under this part is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 8760 and 8876 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of tax within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2019, or (2) prior to July 1, 2019, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the tax imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 4. Section 30284.5 is added to the Revenue and Taxation Code, to read:

30284.5. (a) Beginning July 1, 2019, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of tax imposed under this part is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 30190 and 30281 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of tax within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2019, or (2) prior to July 1, 2019, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the tax imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 5. Section 32257.5 is added to the Revenue and Taxation Code, to read:

32257.5. (a) Beginning July 1, 2019, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of tax imposed under this part is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 32252 and 32260 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of tax within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2019, or (2) prior to July 1, 2019, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the tax imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 6. Section 40104.5 is added to the Revenue and Taxation Code, to read:

40104.5. (a) Beginning July 1, 2020, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of surcharge required to be collected and paid to the state is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 40067 and 40101 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of surcharge within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2020, or (2) prior to July 1, 2020, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the surcharge imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 7. Section 41098.5 is added to the Revenue and Taxation Code, to read:

41098.5. (a) Beginning July 1, 2020, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of surcharge required to be collected and paid to the state is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 41060 and 41095 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of surcharge within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2020, or (2) prior to July 1, 2020, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the surcharge imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 8. Section 43157.5 is added to the Revenue and Taxation Code, to read:

43157.5. (a) Beginning July 1, 2020, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of tax imposed under this part is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 43152.12, 43152.15, 43155, and 43170 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of tax within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2020, or (2) prior to July 1, 2020, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the tax imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 9. Section 45155.5 is added to the Revenue and Taxation Code, to read:

45155.5. (a) Beginning July 1, 2020, and notwithstanding any other law, if a person's failure to file a timely return or pay any fee to the state or any amount of fee required to be collected and paid to the state is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 45153 and 45160 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of fee within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2020, or (2) prior to July 1, 2020, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the fee imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 10. Section 46156.5 is added to the Revenue and Taxation Code, to read:

46156.5. (a) Beginning July 1, 2019, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of fee to the state or any amount of fee required to be collected and paid to the state is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 46154, 46154.1, and 46160 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of fee within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2019, or (2) prior to July 1, 2019, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the fee imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 11. Section 50111.5 is added to the Revenue and Taxation Code, to read:

50111.5. (a) Beginning July 1, 2019, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of fee to the state or any amount of fee required to be collected and paid to the state is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 50112 and 50112.7 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of fee within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2019, or (2) prior to July 1, 2019, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the fee imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 12. Section 55044.5 is added to the Revenue and Taxation Code, to read:

55044.5. (a) Beginning July 1, 2020, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of fee is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 55042 and 55050 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of fee within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2020, or (2) prior to July 1, 2020, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the fee imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.

SEC. 13. Section 60213 is added to the Revenue and Taxation Code, to read:

60213. (a) Beginning July 1, 2019, and notwithstanding any other law, if a person's failure to file a timely return or pay any amount of tax imposed under this part is attributable to the failure of the board's Internet Web site resulting in an unacceptable outage period on the due date of the return or payment, the penalties required by Sections 60207 and 60250 shall not be imposed and interest shall not accrue unless the person fails to file a return or pay the amount of tax within a reasonable time after the conclusion of the outage period.

(b) For the purposes of this section, interest or penalty relief shall only be granted if no significant aspect of the failure to file or pay is attributable to an act of, or a failure to act by, the person.

(c) This section shall become operative on either (1) July 1, 2019, or (2) prior to July 1, 2019, on the date that the Department of Technology or the board reports the successful implementation of the Centralized Revenue Opportunity System rollout phase for the tax imposed pursuant to this part, whichever occurs first. The board shall post information about this section, including notice of the operative date of this section, on the homepage of its Internet Web site.

(d) For purposes of this section, "board" shall include any successor agency of the State Board of Equalization.