



SB-972 Corporation taxes: disclosure. (2019-2020)

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ENROLLED SEPTEMBER 04, 2020

PASSED IN SENATE AUGUST 30, 2020

PASSED IN ASSEMBLY AUGUST 26, 2020

AMENDED IN ASSEMBLY JULY 28, 2020

AMENDED IN SENATE JUNE 15, 2020

AMENDED IN SENATE MAY 29, 2020

AMENDED IN SENATE MARCH 25, 2020

CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

SENATE BILL

NO. 972

Introduced by Senator Skinner

February 11, 2020

An act to add Section 19571.5 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 972, Skinner. Corporation taxes: disclosure.

The Corporation Tax Law imposes a corporate franchise tax according to or measured by net income computed at a specified rate upon the basis of the net income for that taxable year, or a corporation income tax at a specified rate upon net income derived from sources within this state for that taxable year, on every corporation, except as provided. Existing law provides that it is a misdemeanor for the Franchise Tax Board or specified state employees to disclose or make known any information in a return, report, or document filed under income tax laws, but authorizes the Franchise Tax Board to disclose this information for specified purposes.

This bill would, on or before April 1, 2021, and on and before each April 1 thereafter, require the Franchise Tax Board to compile a list of all taxpayers subject to tax under the Corporation Tax Law, with gross receipts of \$5,000,000,000 or more, as measured by gross receipts, less returns and allowances, for the taxable year reported on a return in the previous calendar year. The bill would require the list to include the name and tax liability of each taxpayer, the taxable year for which the return is filed, the total gross receipts for that taxable year, and the amount and types of credits claimed for that taxable year. The bill would require the

Franchise Tax Board to provide the information to specified committees of the Legislature by May 1, 2021, and each May 1 thereafter, in a list that includes specified information.

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

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

SECTION 1. Section 19571.5 is added to the Revenue and Taxation Code, to read:

19571.5. (a) (1) Notwithstanding any other law, on or before April 1, 2021, and on or before each April 1 thereafter, the Franchise Tax Board shall compile a list of all taxpayers subject to tax under Part 11 (commencing with Section 23001), with gross receipts of five billion dollars (\$5,000,000,000) or more, as measured by gross receipts, less returns and allowances, for the taxable year reported on a return in the previous calendar year. The list shall include the name and tax liability of each taxpayer, the taxable year for which the return is filed, the total gross receipts for that taxable year, and the amount and types of credits claimed for that taxable year.

(2) In the case of a taxpayer that is included in a combined report, the determination to include that taxpayer on a list shall be based on the gross receipts, less returns and allowances, of the combined reporting group.

(b) For purposes of this section:

(1) "Credits claimed" means the amount of credits allowed under Part 11 (commencing with Section 23001) that are applied on the return for the taxable year used to offset the tax liability.

(2) "Tax liability" means the amount of tax owed, in a taxable year, as a result of the taxes imposed under Part 11 (commencing with Section 23001), and excluding overpayments, estimated tax payments, withholdings, and any other amounts paid.

(3) "Gross receipts" shall have the same meaning as set forth in Section 25120.

(c) The Franchise Tax Board shall provide this information to the Assembly Committee on Revenue and Taxation and the Senate Committee on Governance and Finance by May 1, 2021, and each May 1 thereafter, in a list that includes all of the following:

(1) The taxpayer's name listed on the tax return.

(2) The amount of tax liability of the taxpayer for the taxable year reported on a return in the previous calendar year.

(3) The total amount and types of credits claimed by the taxpayer for the taxable year reported on a return in the previous calendar year.