



California Business Properties Association



UPDATED TO ADD COALITION SIGNATORIES

Date: April 12, 2017
 To: Members, Senate Appropriations Committee
 From: Therese Twomey, Director of State Fiscal Policy
 Subject: **SUPPORT for SB 375 (Bradford), as amended on March 28, 2017**

The California Taxpayers Association and the listed organizations are writing in support of SB 375, which generally would conform California income tax laws to IRS procedures that allow for relief of select timeliness tax penalties, as specified.

Historically, compliant taxpayers who file or pay late are penalized with the same severity as noncompliant taxpayers. However in 2001, the IRS instituted a first-time penalty abatement to bolster voluntary compliance and avoid penalizing taxpayers with a history of compliance. Specifically, the IRS provides late filing and late payment penalty relief if the taxpayer has been compliant the three previous tax years and currently is compliant with all tax filing requirements.

SB 375 would provide similar authority to the Franchise Tax Board to abate a failure-to-file or failure-to-pay penalty for individuals, partnerships and S corporations, if they have been compliant for the last four years, satisfied all filing requirements and paid or made arrangements to pay the taxes due. This measure would alleviate penalties for longstanding law-abiding taxpayers who may file late or make a late payment, while maintaining more serious penalties for persistent late filers.

For these and other reasons, we support this legislation.

- California Taxpayers Association
- Acclamation Insurance Management Services
- Air Logistics Corporation
- Allied Managed Care
- Calaveras County Taxpayers Association
- California Beer and Beverage Distributors
- California Business Properties Association
- California Chamber of Commerce

California Society of Enrolled Agents
Council on State Taxation
Flasher Barricade Association
Kern County Taxpayers Association
National Federation of Independent Business
Orange County Business Council
Orange County Taxpayers Association
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cc: The Honorable Steven Bradford, California State Senate
The Honorable Fiona Ma, State Board of Equalization Member