

AMENDED IN SENATE APRIL 7, 2010

**SENATE BILL**

**No. 1306**

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**Introduced by Senator Runner**

February 19, 2010

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An act to add Sections 6830.5 and 6830.6 to the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1306, as amended, Runner. Sales and use taxes: collections agreements: delinquent accounts.

Existing law authorizes the State Board of Equalization to take various collection actions to effect the collection of delinquent amounts due under the Sales and Use Tax Law and also authorizes the board to contract with a private collection company to identify and collect ~~out-of-State~~ *out-of-state* sales and use tax delinquent accounts.

This bill would authorize the board to enter into agreements with one or more persons for the purpose of collecting delinquent ~~sales and use tax accounts regardless of where located, as provided~~ *accounts with respect to amounts assessed or imposed under specified statutes requiring the payment of sales and use taxes, but only if the agreements do not displace, as defined, civil service employees, and the board has exhausted all internal procedures to collect on delinquent accounts.* The bill would require that any amounts received by the board from collections on delinquent accounts pursuant to those provisions be deposited into the Delinquent Sales and Use Tax Collection Fund, which the bill would create in the State Treasury. This bill would continuously appropriate moneys in the new fund to reimburse the board for its contracting costs and would prohibit these funds from being used in

place of funds from other sources that are available for appropriation to the board, as provided.

Vote:  $\frac{2}{3}$ . Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 6830.5 is added to the Revenue and  
2 Taxation Code, to read:

3 6830.5. (a) The board may enter into agreements with one or  
4 more persons for the purpose of collecting delinquent accounts  
5 with respect to amounts assessed or imposed under this part, *but*  
6 *only if the agreements do not displace any civil service employees*  
7 *and the board has exhausted all internal procedures to collect on*  
8 *delinquent accounts.* The agreement may provide for the rate and  
9 manner of payment for the contracted collection services. However,  
10 the consideration payable by the board under the agreement shall  
11 not be included in the amounts to be collected from the tax debtor  
12 by the contractor providing collection services.

13 (b) *For purposes of this section, “displace” includes layoff,*  
14 *demotion, involuntary transfer to a new class, involuntary transfer*  
15 *to a new location requiring a change of residence, and time base*  
16 *reduction. “Displace” shall not include any change in shifts or*  
17 *days off, or reassignment to another position within the same class*  
18 *and general location.*

19 SEC. 2. Section 6830.6 is added to the Revenue and Taxation  
20 Code, to read:

21 6830.6. (a) ~~Any~~ *Notwithstanding any other law, any* amounts  
22 *received by the board pursuant to Section 6830.5, notwithstanding*  
23 ~~any other law,~~ shall be deposited into the Delinquent Sales and  
24 Use Tax Collection Fund, which is hereby created in the State  
25 Treasury.

26 (b) Notwithstanding Section 13340 of the Government Code,  
27 there are hereby continuously appropriated from the Delinquent  
28 Sales and Use Tax Collection Fund to the board those amounts of  
29 money necessary for reimbursement of the board’s contracting  
30 costs. Any moneys remaining in the Delinquent Sales and Use Tax  
31 Collection Fund after disbursements to the board shall be  
32 transferred to the Retail Sales Tax Fund by the Controller upon  
33 notification by the board.

1 (c) The funds generated through this section shall not be used  
2 in place of funds from other sources that are available for  
3 appropriation to the board.

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