

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 756**

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**Introduced by Assembly Member Chang**

February 25, 2015

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~~An act relating to state government.~~ *An act to add Section 42 to the Revenue and Taxation Code, relating to small businesses.*

LEGISLATIVE COUNSEL'S DIGEST

AB 756, as amended, Chang. Small businesses: ~~state agencies: civil fines and penalties~~ *penalties: waiver.*

*Existing law imposes various taxes and fees that are administered by the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department. Existing law authorizes these state agencies to impose fines and penalties for violations of those laws imposing the tax or fee. Under existing law, if the Director of Employment Development finds that any employer, in submitting facts concerning the termination of a specified claimant's employment concerning unemployment compensation, among other things, willfully makes a false statement or representation, the director is required to assess a penalty against the employer of that claimant in a specified amount.*

*This bill would require the State Board of Equalization, the Franchise Tax Board, and the Employment Development Department to waive any fine or penalty for violations of the laws that impose a tax or fee, assessed against a small business, as defined, within its first 120 days of operation if certain requirements are met.*

~~Generally, existing law authorizes state agencies to assess administrative fines or recover civil penalties in enforcement actions~~

against business establishments for violating various state laws. Existing law prohibits a state agency from imposing any civil fine on a small business, as defined, for a violation of an administrative rule or regulation or a noncriminal statute as a result of a Year 2000 Problem, as defined, suffered by the small business if certain requirements are met.

This bill would declare the intent of the Legislature to enact legislation that would authorize certain state agencies to waive penalties for small businesses within their first 120 days of operation if certain requirements are met.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

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

- 1     SECTION 1. Section 42 is added to the Revenue and Taxation
- 2     Code, to read:
- 3     42. (a) The board, Franchise Tax Board, and the Employment
- 4     Development Department, with respect to the laws administered
- 5     by them that impose a tax or fee, shall waive any fine or penalty
- 6     for violations of those laws assessed against a small business
- 7     within its first 120 days of operation if the violation does not create
- 8     a threat to health or safety, does not violate any provision of the
- 9     Labor Code, and was not done intentionally.
- 10    (b) For the purposes of this section, a “small business” is a
- 11    business with 100 or fewer employees.
- 12    SECTION 1. ~~It is the intent of the Legislature to enact~~
- 13    ~~legislation that would authorize certain state agencies to waive~~
- 14    ~~penalties for small businesses within their first 120 days of~~
- 15    ~~operation if the violation does not create a threat to health or safety,~~
- 16    ~~does not violate any provision of the Labor Code, and was not~~
- 17    ~~done intentionally.~~