

Income/Franchise:

California: Proposed Rule Changes on Alternative Apportionment Move Forward with Comments Due March 7

California Regulatory Notice: Proposed Amendments to California Code of Regulations, Title 18, Section 25137, Relating to Alternative Apportionment Method Petition Procedures, Cal. FTB (1/20/23). The California Office of Administrative Law issued its California Regulatory Notice Register which contains notice from the California Franchise Tax Board (FTB) of its intention to amend the FTB rule relating to alternative apportionment method petition procedures (i.e., Regulation 25137). The publication of this notice begins the formal rulemaking process for adoption of the amendments to Regulation 25137. According to the notice, the proposed amendments will provide clear rules, conditions, and deadlines for filing such petitions with the FTB; clarify the briefing process and specify procedures related to hearings on such petitions; and address application of the “ex parte communication” rule to collectively “streamline the petition process and ensure consistent application of procedures.” While the FTB has not yet scheduled a public hearing on this proposed regulatory action, it will hold a public hearing if it receives a written request for a hearing from any interested person, or their authorized representative, no later than 15 days before the close of the underlying written comment period. Furthermore, consideration of this proposed regulatory action by the FTB’s three-member Board will take place if any person makes such a request in writing. Written comments on this proposal are due by March 7, 2023. Please contact us with any related questions.

URL: <https://oal.ca.gov/wp-content/uploads/sites/166/2023/01/2023-Notice-Register-Number-3-Z-January-20-2023.pdf>

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