



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 1720
SACRAMENTO CA 95741-1720
Telephone (916) 845-3306 Fax (916) 845-3648

JOHN CHIANG
Chair
JEROME E. HORTON
Member
MICHAEL COHEN
Member

Second Interested Parties Meeting

To attend this meeting, please RSVP by October 16, 2013, by contacting Colleen Berwick at (916) 845-3306 or Email: Colleen.Berwick@ftb.ca.gov.

To participate in this meeting by telephone, use this number to dial in: (877) 923-3149. The participant pass code is 2233420.

When

Friday
October 18, 2013
1:30 pm

Where

Franchise Tax Board
Golden State Room A/B
9646 Butterfield Way
Sacramento, CA 95827

Topic

Possible amendments to California Code of Regulations (CCR), title 18, section 25136-2 (market-based sourcing rules for sales other than sales of tangible personal property), to address certain sales of services and intangible property which were not addressed in the proposed language of CCR section 25136-2, which became effective on March 27, 2012. Specifically, draft language includes a definition of "marketable securities;" rules on how to assign sales of marketable securities; examples of how to assign sales in connection with asset management services not subject to CCR section 25137-14; assignment of dividends, interest and goodwill; and cascading rules for reasonable approximation of the factor information of the underlying corporation where the taxpayer does not have the factor information, for example where the taxpayer held a minority interest in the underlying corporation or the interest was in a startup company. A definition for a startup company is also provided. CCR section 25136-2 is based on Revenue & Taxation Code section 25136, which applies for taxable years beginning on or after January 1, 2011. Please see the [discussion draft](#) and the [Explanation of Discussion Draft Language](#) for Proposed Regulation Section 25136-2 posted with this notice. A [Summary](#) of the first Interested Parties Meeting held on March 29, 2012 is also posted with this notice.

Purpose

To elicit public input on draft language for amendments to the current regulation that address certain sales of services and intangible property described above and not previously addressed in CCR section 25136-2, which provides a market-based approach for assignment of sales other than sales of tangible personal property to the sales factor.

Contact: Melissa Potter:

- Email: Melissa.Potter@ftb.ca.gov
- Telephone: (916) 845-7831
- Address: Legal Division (MS-A260), P.O. Box 1720, Rancho Cordova, CA 95741-1720.

[Visitors Parking Map](#)

* This facility is architecturally accessible to persons with physical disabilities.