

AB 129 (Ma)—Taxpayer Privilege—**Support**

The California Society of CPAs and its more than 33,000 members urges your support of AB 129 (Ma) an urgency measure to reinstate Revenue and Tax Code Section 7099.1 that was originally added by Chapter 438 in 2000. This section was inadvertently allowed to sunset in December 2008. AB 129 will continue California's conformity with federal Internal Revenue Code Section 7525, which was enacted as part of the 1998 Taxpayer Bill of Rights.

- Unless this extension of state conformity is enacted, the intent of the 1998 Federal Taxpayer Bill of Rights will be undermined for California taxpayers. (*Information disclosed to the FTB will no longer be privileged and through information sharing will become available to the IRS.*)
- IRC Section 7525 allows for limited confidentiality for communications between tax practitioners and their clients. The confidentiality is limited to tax advice, other than advice regarding tax shelters, and applies only in non-criminal situations.
- AB 129 continues California conformity to federal law in this area and provides taxpayers with the protections intended when the federal privilege was enacted.

The original implementing legislation enacted in 2000, passed both houses by a large majority.