



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 357 without my signature.

This bill excludes interest, penalties, costs, or fees from the definition of tax liability, thereby changing the date when the current 20-year statute of limitations on tax collections begins. The bill would apply retroactively to cover any liability due and payable before, on, or after July 1, 2006.

The intent of the bill is to provide some certainty to taxpayers that have longstanding tax liabilities and in some cases, complete relief from those liabilities. However, AB 357 significantly limits the Franchise Tax Boards' ability to collect valid tax liabilities and at a significant cost to the state general fund.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom

