

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: Original
POSITION: Oppose

BILL NUMBER: SB 1066
AUTHOR: C. Migden
RELATED BILLS: SB 11

BILL SUMMARY

This bill would expand the eligibility criteria for domestic partnerships by eliminating the requirement that the couple be of the same sex or that one or both is over age 62.

FISCAL SUMMARY

The Franchise Tax Board (FTB) estimates this bill would result in a loss of General Fund revenues via decreased personal income tax revenues. In addition, there would be costs to implement the expansion of the domestic partnership category, both for the FTB as well as for the Secretary of State (SOS).

FTB estimates tax revenue losses of \$3 million in fiscal year 2009-10 associated with expanding domestic partnerships to include same sex couples, increasing to \$5 million in 2010-11 and \$6 million in 2011-12. These revenue estimates assume the existing requirement that domestic partners file personal income tax returns as married couples, filing jointly or separately. This estimate assumes an increase of 30,224 couples registering as domestic partners. The FTB also estimates workload costs of approximately \$205,000 General Fund to administer this bill.

This bill would also increase SOS workload for increases in domestic partnership filings. Currently, the SOS receives approximately 5,900 filings every year, which requires about 1.0 personnel year (PY). Using the FTB estimate of 30,224 unmarried opposite-sex couples filing domestic partnerships as a result of this bill yields workload of about 5-6 PYs. However, the SOS indicates that unmarried opposite-sex couples filing domestic partnerships could be as high as 60,100 yielding a workload of about 10-11 PYs. Furthermore, the FTB estimate is for the total increase in domestic partnerships rather than an annual increase. Any ongoing increase in workload would be self-funding through filing fees accruing to the Business Fees Fund.

COMMENTS

Finance is opposed to this bill due to expected decreases in General Fund revenues and increased General Fund workload costs to the FTB.

This bill would delete the requirement for domestic partners to be of the same sex or of opposite sex with one or both over the age of 62. This would allow opposite-sex couples, meeting specified criteria, to register as domestic partners and be granted the associated rights and responsibilities. This expansion would lead to an increase in the number of domestic partnerships, thereby increasing workload for both the Franchise Tax Board and the Secretary of State.

A Senate committee analysis notes that there are a number of city and counties in California allowing opposite-sex couples over the age of 18 to file as domestic partners.

Analyst/Principal Date Program Budget Manager Date
(0222) R. Baker Todd Jerue

Department Deputy Director Date

Governor's Office: By: Date: Position Approved
Position Disapproved

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**

**AUTHOR**

**AMENDMENT DATE**

**BILL NUMBER**

C. Migden

Original

SB 1066

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP	2007-2008		2008-2009		2009-2010			
	RV	98	FC	FC	FC	FC	FC	FC		
1147/Pers Inc Tax	RV	No		-- U		-\$3,000	U	-\$5,000	0001	
1730/FTB	SO	No		-- C		\$205	C	\$205	0001	
0890/Secty State	SO	No		----- See Fiscal Summary -----						0228

<u>Fund Code</u>	<u>Title</u>
0001	General Fund
0228	Business Fees Fund, Secty of State's