

Amend Revenue and Taxation Code Sections 6591, 6591.5, and 6592.5, and repeal Sections 6591.6, 7655.5, 8876.5, 12631.5, 30281.5, 32252.5, 40101.5, 41095.5, 43155.5, 45153.5, 46154.5, 50112.1, 55042.5, and 60207.5 of the Sales and Use Tax and the various special taxes and fees laws to provide for daily computation of interest on late payments of tax, fees and surcharges administered by the BOE.

Source: Honorable George Runner

Existing Law. Under existing law, persons who are late paying their tax, fee or surcharge (tax) obligations to the BOE are required to pay a penalty of 10 percent of the tax, plus monthly, simple interest on those unpaid taxes. Currently, interest at a rate of six percent per year (effective January 1, 2012, the rate increases to seven percent annually) accrues on any unpaid tax to the end of the same month of the date of payment. Unlike other tax agencies, including the FTB and the EDD, the BOE's interest provisions for late payments of taxes or fees require that the calculation of interest be based on a monthly, rather than daily, basis. That is, regardless of whether a taxpayer makes a late payment on the third, fifteenth, or twenty-eighth day of the month following the due date, interest is imposed from the date the tax was due through the end of the month in which the payment is made (FTB and EDD calculate interest on a daily basis, but compound the interest on the unpaid tax, interest and penalty). In the case of electronic funds transfers, a payment made after the 3:00 p.m. deadline on the due date is likewise subject to an interest charge through the end of the month (although under specified circumstances, the law authorizes the BOE to impose a day's worth of interest where the BOE, itself, meeting as a public body finds that it would be inequitable to impose an entire month's interest on an electronic payment made *one day* late. This provision was added by SB 1028, Chapter 316, Statutes of 2010, effective January 1, 2011.¹)

Interest due on late payments of taxes may be the result of various circumstances, e.g., errors on returns, late returns, late remittances, no remittances, insufficient funds, late prepayments, or audits. Depending on the applicable reporting basis, taxpayers may file returns monthly, quarterly, annually, or for other special reporting periods. Therefore, billings on returns and audit determinations are not generated at one time each year, but rather, are issued continuously throughout the year.

On each billing, taxpayers are advised of the tax, interest, and penalty due through a certain month-end date. They are also advised, on the face of the billing, of the amount of additional monthly interest to be added if the bill is not paid by the end of the month in which it is due.

This Proposal. This proposal would provide that interest on any late tax payment be computed on a daily, simple basis under all the BOE's tax and fee programs. Since interest is intended to be a charge for the use of state funds, computing interest on a daily basis more closely reflects the actual charge for use of the funds. Also, once taxpayers are late in their tax payments to the state, there is currently no real incentive to

¹ As of November 22, 2011, no requests for relief under the statutory authorization provided by SB 1028 have been filed.

pay before the end of the month, since the same amount of interest is imposed through the end of the month regardless of when the payment is made. This proposal would provide an incentive for taxpayers to pay their late payments earlier in the month so as to avoid additional interest charges. This proposal would also repeal the provisions in law added by SB 1028 mentioned previously, as this proposal would essentially accomplish the same goal of allowing for computation of daily interest commensurate with the number of days the payment is late.

Background. In the early 1980s, the law required the BOE to compute interest on late payments on a daily basis (and also required for a short period within that time, that interest be compounded daily on the total of all unpaid taxes, assessed penalties, and interest). Because of all the taxpayer confusion and errors associated with the compounding interest provisions, the BOE sponsored legislation (AB 3248, Statutes of 1984, Chapter 1020) to return to simple monthly interest, as the law currently provides.

In the mid 1990s, legislation to allow for simple daily computation of interest was also considered. AB 1939 (Woods, 1995-96), supported by the BOE, was held in the Assembly Appropriations Committee, and AB 397 (Hannigan, et al.), as amended September 13, 1995, was vetoed by then Governor Pete Wilson (in addition to the interest provisions, the bill had numerous tax policy changes, and the Governor's veto message stated, ..."This ploy deprived the Legislature of their right to discern among the tax law changes, and forces me to reject the entire package."). Another measure was considered in the 1997-98 Session, AB 1940 (Woods), but the daily interest provisions were amended out of the bill while in the Senate Appropriations Committee.

Section 6591 of the Revenue and Taxation Code is amended to read:

6591. Any person who fails to pay any tax to the state or any amount of tax required to be collected and paid to the state, except amounts of determinations made by the board under Article 2 (commencing with Section 6481) or Article 3 (commencing with Section 6511) ~~of this chapter~~, within the time required shall pay a penalty of 10 percent of the tax or amount of the tax, in addition to the tax or amount of tax, plus interest at the modified adjusted rate per ~~month~~, annum, established pursuant to Section 6591.5, from the date on which the tax or the amount of tax required to be collected became due and payable to the state until the date of payment.

Section 6591.5 of the Revenue and Taxation Code is amended to read:

6591.5. (a) (1) For interest required to be paid to the state upon ~~underpayments~~ an underpayment of tax to the state, "modified adjusted rate per annum" means the adjusted annual rate established pursuant to subdivision (c), plus three percentage points.

(2) For interest required to be paid by the state upon ~~overpayments~~ an overpayment of tax, "modified adjusted rate per annum" means the adjusted annual rate established pursuant to subdivision (d).

(b) "Modified adjusted rate per ~~month~~, annum" means the modified adjusted rate per annum ~~divided by 12~~ determined on a daily basis by dividing the modified

adjusted rate per annum by 365 and multiplying the quotient by the number of days to which that rate applies.

(c) The rate established for interest to be paid upon underpayments an underpayment of tax shall be determined in accordance with the provisions of Section 6621 of the Internal Revenue Code which establish the underpayment rate, except that the determination specified in Section 6621(b) of the Internal Revenue Code shall be modified to be determined semiannually as follows:

(1) The rate for January shall apply for the following July 1 to December 31, inclusive.

(2) The rate for July shall apply for the following January 1 to June 30, inclusive.

(d) (1) Except as provided in paragraph (2), the rate established for interest to be paid by the state upon overpayments an overpayment of tax shall be equal to the bond equivalent rate of 13-week treasury bills auctioned, rounded to the nearest full percent (or if a multiple of one-half of 1 percent, the rate shall be increased to the next highest full percent), as follows:

(A) The bond equivalent rate of 13-week treasury bills established at the first auction held during the month of January shall apply for the following July 1 to December 31, inclusive.

(B) The bond equivalent rate of 13-week treasury bills established at the first auction held during the month of July shall apply for the following January 1 to June 30, inclusive.

(2) For the period July 1, 1991, through June 30, 1992, the rate to be paid by the state upon overpayments of tax shall be equal to the bond equivalent rate of 13-week treasury bills established at the auction held on July 1, 1991, rounded to the nearest full percent (or if a multiple of one-half of 1 percent, the rate shall be increased to the next highest full percent).

(e) For purposes of this part, and any other provision of law referencing this method of computation, in computing the amount of any interest required to be paid by the state or by the taxpayer, or any other amount determined by reference to that amount of interest, that interest and that amount shall be computed as simple interest, not compound interest.

Section 6592.5 of the Revenue and Taxation Code is amended to read:

6592.5. Any person who is granted relief from the penalty imposed by Section 6476 or 6477 shall pay, in addition to any prepayment, interest at the "modified adjusted rate per ~~month~~, annum" established pursuant to subdivision (b) of Section 6591.5, from the date on which the prepayment would have been due until the date of payment.

SECTION 1 of Statutes of 2010, Chapter 316 is repealed.

~~SECTION 1. It is the intent of the Legislature that California's penalty and interest provisions foster and maintain the current high level of compliance, provide appropriate costs and sanctions for noncompliance, and provide a reasonable and administrable degree of latitude for individual taxpayer circumstances and errors. It is the intent of the Legislature in enacting this act, that the State Board of~~

~~Equalization strictly and narrowly apply its provisions on a case-by-case basis and only in special circumstances.~~

Section 6591.6 of the Revenue and Taxation Code is repealed.

~~6591.6. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax or prepayment was due until the date of payment, if all of the following occur:~~

~~(1) The payment of tax or the prepayment was made one business day after the date the tax or prepayment was due.~~

~~(2) The person was granted relief from all penalties that applied to that payment of tax or prepayment.~~

~~(3) The person files a request for an oral hearing before the board.~~

~~(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed, or a jeopardy determination issued by the board.~~

~~(f) This section shall only apply to electronic payments or prepayments of taxes.~~

~~(g) This section shall be operative only until January 1, 2016.~~

Section 7655.5 of the Revenue and Taxation Code is repealed:

~~7655.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax or prepayment was due until the date of payment, if all of the following occur:~~

~~(1) The payment of tax or the prepayment was made one business day after the date the tax or prepayment was due.~~

~~(2) The person was granted relief from all penalties that applied to that payment of tax or prepayment.~~

~~(3) The person files a request for an oral hearing before the board.~~

~~(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed, or a jeopardy determination issued by the board.~~

~~(f) This section shall only apply to electronic payments or prepayments of taxes.~~

~~(g) This section shall be operative only until January 1, 2016.~~

Section 8876.5 of the Revenue and Taxation Code is repealed:

~~—8876.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax was due until the date of payment, if all of the following occur:~~

~~—(1) The payment of tax was made one business day after the date the tax was due.~~

~~—(2) The person was granted relief from all penalties that applied to that payment of tax.~~

~~—(3) The person files a request for an oral hearing before the board.~~

~~(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed, or a jeopardy determination issued by the board.~~

~~(f) This section shall only apply to electronic payments of taxes.~~

~~(g) This section shall be operative only until January 1, 2016.~~

Section 12631.5 of the Revenue and Taxation Code is repealed.

~~—12631.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax or prepayment was due until the date of payment, if all of the following occur:~~

~~—(1) The payment of tax or prepayment was made one business day after the date the tax or prepayment was due.~~

~~—(2) The person was granted relief from all penalties that applied to that payment of tax or prepayment.~~

~~—(3) The person files a request for an oral hearing before the board.~~

~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, or a determination where no return has been filed.~~

~~—(f) This section shall only apply to electronic payments or prepayments of taxes.~~

~~—(g) This section shall be operative only until January 1, 2016.~~

Section 30281.5 of the Revenue and Taxation Code is repealed.

~~—30281.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax was due until the date of payment, if all of the following occur:~~

~~—(1) The payment of tax was made one business day after the date the tax was due.~~

~~—(2) The person was granted relief from all penalties that applied to that payment of tax.~~

~~—(3) The person files a request for an oral hearing before the board.~~

~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no report or return has been filed, or a jeopardy determination issued by the board.~~

~~—(f) This section shall only apply to electronic payments of taxes.~~

~~—(g) This section shall be operative only until January 1, 2016.~~

Section 32252.5 of the Revenue and Taxation Code is repealed.

~~—32252.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax was due until the date of payment, if all of the following occur:~~

- ~~—(1) The payment of tax was made one business day after the date the tax was due.~~
- ~~—(2) The person was granted relief from all penalties that applied to that payment of tax.~~
- ~~—(3) The person files a request for an oral hearing before the board.~~
- ~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~
- ~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~
- ~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~
- ~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed, or a jeopardy determination issued by the board.~~
- ~~—(f) This section shall only apply to electronic payments of taxes.~~
- ~~—(g) This section shall be operative only until January 1, 2016.~~

Section 40101.5 of the Revenue and Taxation Code is repealed.

- ~~—40101.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the surcharge was due until the date of payment, if all of the following occur:~~
- ~~—(1) The payment of the surcharge was made one business day after the date the surcharge was due.~~
- ~~—(2) The person was granted relief from all penalties that applied to that payment of the surcharge.~~
- ~~—(3) The person files a request for an oral hearing before the board.~~
- ~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~
- ~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~
- ~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~
- ~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, or a determination where no return has been filed.~~
- ~~—(f) This section shall only apply to electronic payments of surcharges.~~
- ~~—(g) This section shall be operative only until January 1, 2016.~~

Section 41095.5 of the Revenue and Taxation Code is repealed.

~~—41095.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the surcharge was due until the date of payment, if all of the following occur:~~

~~—(1) The payment of the surcharge was made one business day after the date the surcharge was due.~~

~~—(2) The person was granted relief from all penalties that applied to that payment of the surcharge.~~

~~—(3) The person files a request for an oral hearing before the board.~~

~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, or a determination where no return has been filed.~~

~~—(f) This section shall only apply to electronic payments of surcharges.~~

~~—(g) This section shall be operative only until January 1, 2016.~~

Section 43155.5 of the Revenue and Taxation Code is repealed.

~~—43155.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax or prepayment was due until the date of payment, if all of the following occur:~~

~~—(1) The payment of tax or the prepayment was made one business day after the date the tax or prepayment was due.~~

~~—(2) The person was granted relief from all penalties that applied to that payment of tax or prepayment.~~

~~—(3) The person files a request for an oral hearing before the board.~~

~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no report or return has been filed, or a jeopardy determination issued by the board.~~

- ~~—(f) This section shall only apply to electronic payments or prepayments of taxes.~~
- ~~—(g) This section shall be operative only until January 1, 2016.~~

Section 45153.5 of the Revenue and Taxation Code is repealed.

~~—45153.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the fee was due until the date of payment, if all of the following occur:~~

~~—(1) The payment of the fee was made one business day after the date the fee was due.~~

~~—(2) The person was granted relief from all penalties that applied to that fee payment.~~

~~—(3) The person files a request for an oral hearing before the board.~~

~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed or a jeopardy determination issued by the board.~~

~~—(f) This section shall only apply to electronic payments of fees.~~

~~—(g) This section shall be operative only until January 1, 2016.~~

Section 46154.5 of the Revenue and Taxation Code is repealed.

~~—46154.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the fee was due until the date of payment, if all of the following occur:~~

~~—(1) The payment of the fee was made one business day after the date the fee was due.~~

~~—(2) The person was granted relief from all penalties that applied to that fee payment.~~

~~—(3) The person files a request for an oral hearing before the board.~~

~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

- ~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~
- ~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed, or a jeopardy determination issued by the board.~~
- ~~—(f) This section shall only apply to electronic payments of fees.~~
- ~~—(g) This section shall be operative only until January 1, 2016.~~

Section 50112.1 of the Revenue and Taxation Code is repealed.

- ~~—50112.1. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the fee was due until the date of payment, if all of the following occur:~~
 - ~~—(1) The payment of the fee was made one business day after the date the fee was due.~~
 - ~~—(2) The person was granted relief from all penalties that applied to that fee payment.~~
 - ~~—(3) The person files a request for an oral hearing before the board.~~
- ~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~
- ~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~
- ~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~
- ~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed or a jeopardy determination issued by the board.~~
- ~~—(f) This section shall only apply to electronic payments of fees.~~
- ~~—(g) This section shall be operative only until January 1, 2016.~~

Section 55042.5 of the Revenue and Taxation Code is repealed.

- ~~—55042.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the fee was due until the date of payment, if all of the following occur:~~
 - ~~—(1) The payment of the fee was made one business day after the date the fee was due.~~
 - ~~—(2) The person was granted relief from all penalties that applied to that fee payment.~~
 - ~~—(3) The person files a request for an oral hearing before the board.~~

~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed or a jeopardy determination issued by the board.~~

~~—(f) This section shall only apply to electronic payments of fees.~~

~~—(g) This section shall be operative only until January 1, 2016.~~

Section 60207.5 of the Revenue and Taxation Code is repealed:

~~—60207.5. (a) If the board finds, taking into account all facts and circumstances, that it is inequitable to compute interest at the modified adjusted rate per month or fraction thereof, as defined in subdivision (b) of Section 6591.5, interest shall be computed at the modified adjusted daily rate from the date on which the tax was due until the date of payment, if all of the following occur:~~

~~—(1) The payment of tax was made one business day after the date the tax was due.~~

~~—(2) The person was granted relief from all penalties that applied to that payment of tax.~~

~~—(3) The person files a request for an oral hearing before the board.~~

~~—(b) For purposes of this section, "modified adjusted daily rate" means the modified adjusted rate per annum as defined in subdivision (a) of Section 6591.5 determined on a daily basis by dividing the modified adjusted rate per annum by 365.~~

~~—(c) For purposes of this section, "board" means the members of the State Board of Equalization meeting as a public body.~~

~~—(d) For purposes of this section, "business day" means any day other than a Saturday, Sunday, or any day designated as a state holiday.~~

~~—(e) This section shall not apply to any payment made pursuant to a deficiency determination, a determination where no return has been filed or a jeopardy determination issued by the board.~~

~~—(f) This section shall only apply to electronic payments of taxes.~~

~~—(g) This section shall be operative only until January 1, 2016.~~