

1 Christine N. Grab, in pro per

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4 CHRISTINE GRAB, IN PRO PER

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7 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
8
9 **FOR THE COUNTY OF SAN DIEGO**

10
11 CHRISTINE N. GRAB

)Case No.: 37-2020-00005100-CL-BT-CTL

12
13)
14 Plaintiff,

)**PLAINTIFF CHRISTINE GRAB'S**
SPECIALLY PREPARED
)INTERROGATORIES, SET NO. ONE

15 vs.

16 THE CALIFORNIA FRANCHISE TAX BOARD)

17)
18)
19 Defendant.

20 PROPOUNDING PARTY: PLAINTIFF CHRISTINE N. GRAB

21 RESPONDING PARTY: DEFENDANT, FRANCHISE TAX BOARD

22 SET NUMBER: ONE (001): CLARIFICATION OF FTB POLICIES AND PROCEDURES

23 **TO DEFENDANT FRANCHISE TAX BOARD:**

24
25 Pursuant to California Code of Civil Procedure section 2030.210 et seq., Plaintiff Christine
26 N. Grab requests Defendant to answer fully the following Special Interrogatories, Set Number One,
27 titled Clarification of FTB Policies and Procedures, in writing and under oath within thirty (30) days
28 after service thereof.

1 These interrogatories, under the law, call not merely for your own personal and present
2 knowledge, although in form they appear so limited, but they call also for the present knowledge of
3 your attorneys and other agents and for information reasonably available to them and you. If any of
4 these interrogatories cannot be answered in full, please answer to the extent possible, specifying the
5 reason for your inability to answer the remainder and stating whatever information or knowledge
6 you have concerning the unanswered portion.
7

8 9 **DEFINITIONS**

10 1. "DOCUMENT" or "DOCUMENTS" shall be interpreted in its broadest sense to include any and
11 all "writings" as that term is defined in California Evidence Code section 250, reflecting, referring
12 or relating, directly or indirectly and in whole or in part, to the subject matter of the category and by
13 way of example and not by way of limitation, includes all of the following: computer software,
14 source code, machine code, binaries, executables, schedules, charts, financial statements,
15 prospectus, papers, letters, memoranda, telegrams, cables, notes, messages, reports, books,
16 accounts, checks, audio or video recordings, pleadings, testimony, articles, pamphlets, brochures,
17 magazines, newspapers, calendars, desk calendars, pocket calendars, lists, logs, publications,
18 diaries, minutes of meetings, corporate minutes, orders, memorials or notes of oral communications,
19 whether by telephone or face-to-face, contracts, agreements, drafts of or proposed contracts or
20 agreements, memoranda of understanding, letter of intent, deal memoranda, transcriptions of audio
21 or video recordings, web site information, computer tapes, computer diskettes, disks, hard drives
22 and any other form of electronic memory, or any other tangible thing on which any handwriting,
23 typing, printing, photograph, photocopy, electronic mail or facsimile or any other form of
24 communication is recorded or reproduced, together with all notations on any of the foregoing, all
25 originals, file copies or other unique copies of the foregoing and all versions and drafts thereof,
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1 whether used or not.

2
3 A draft or non-identical copy is a separate document within the meaning of this term. Any
4 documents stored electronically must be supplied in their native form, including but not limited to
5 Microsoft Word, Core WordPerfect, Microsoft Access, Microsoft Excel, Microsoft Outlook, or PDF
6 formats, as appropriate.

7
8 2. "COMMUNICATE" or "COMMUNICATION" means and refers to any transmission, transfer,
9 conveyance or exchange of meaning or information, opinions, questions, or comments of any kind,
10 in any matter, at any time, and under any circumstances, whether by spoken or written language or
11 other means of transmission or conveyance.

12
13 3. "PERSON" means and includes any natural individual acting in any capacity whatsoever and any
14 entity or organization including, without limitation, a corporation, partnership, joint venture, firm,
15 trust, group, association or other unit thereof.

16
17 4. "IDENTIFY" if used in reference to an individual or person, please state the name, title, address,
18 and telephone number of said individual or person. In reference to a document or writing, please
19 state the type of document or writing, the date it bears, the author, the present or last known
20 location, the custodian, including identifying information for the custodian, and any other
21 information which would be required to specify the document in a request for production of
22 documents issued pursuant to Code of Civil Procedure section 2031.010, et seq.

23
24
25 5. "OR" and "AND" as used below shall be construed both conjunctively and disjunctively, and
26 each shall include the other whenever such construction will serve to bring within the scope of this
27 request any answers that would otherwise not be brought within their scope.

1 6. "YOU" and "YOUR" means Defendant Franchise Tax Board, including all employees, agents,
2 representatives, affiliates, underwriters, attorneys, and/or accountants, past and present, and all other
3 PERSONS acting OR purporting to act on FTB's behalf.
4

5 7. "COMPLAINT" means the Complaint for Refund of Personal Income Tax filed by Plaintiff on
6 January 29, 2020 in the San Diego Superior Court, Case No. 37-2020-00005100-CL- BT-CTL.
7

8 8. "FTB" means Defendant Franchise Tax Board.
9

10 **SPECIAL INTERROGATORIES NO. 001:**

11 **CLARIFICATION OF FTB POLICIES AND PROCEDURES**
12

13 1. Please state the full name of the person responding to this interrogatory.

14 2. Please state the job title of the person responding to this interrogatory.
15

16 **Questions Regarding Notices of Proposed Assessments**

17 3A. FTB's Disclosure Department sent me the standard operating procedures for processing a
18 Protest to a Notice of Proposed Assessment. There are a series of slides that show the
19 representatives how to prepare the NPA's. One of the slides indicates that the way to determine if
20 the NPA is to be sent if FTB believes there is a liability *still due* after the credits and payments have
21 been applied (attached page 1). Am I interpreting this correctly? If not, please clarify.
22

23 3B. Do you admit that it is possible to protest a Notice of Proposed Assessment?

24 3C. It appears there are many categories for protesting the amount of income FTB assessed in
25 calculating the tax liability (please see the examples attached as pages 2 - 5); however, it appears
26 there is no category to Protest the amount of money that FTB has collected in payments towards
27
28

1 that year's liability. Is it possible for a taxpayer to file a Protest to a NPA on the basis that FTB has
2 underreported the amount of payments FTB has collected?

3 3D. If the answer to 3C is yes, please explain why this category of Protest does not appear in the
4 NPA standard operating manual pages provided to me by FTB's Disclosure Department.

5 3E. Is it possible for FTB to void the NPA if FTB determines that they have miscalculated the
6 amount of state income taxes collected?
7

8 3F. Item 21 in the section regarding dealing with damaged mail (attached page 6) indicates that it is
9 not possible for FTB staff to add credits that have been placed into suspense into to the NPA totals.

10 Is my interpretation of this correct? If not, please clarify.

11 3G. The attached page 7 indicates that FTB staff is prohibited from crediting additional
12 withholdings that were not accounted for in the NPA; if additional withholdings need to be credited,
13 the taxpayer's account needs to be moved to an Audit Liaison. Will the Account Liaison void the
14 NPA if the additional withholdings are sufficient to bring the liability to zero?
15

16 3H. When was the policy of allowing Oral Hearings to Protest Notices of Proposed Assessment
17 implemented?

18 4A. According to Taxpayer and Advocate Services employee Christopher Calhoun, and FTB Staff
19 attorney Eric Yadao, the protests that I sent in response to the Notice of Proposed Assessment were
20 labeled in your system as "no responses." Could you please explain FTB's policies and procedures
21 on when and why responses to NPAs are labeled as "no responses."
22

23 24 **Questions Regarding Imposition of Penalties and Fees**

25 5A. The attached page 8 is a page from FTB's standard operations manuals entitled Delinquent
26 Penalties. It states "A delinquent penalty is imposed when *both* of the following apply:" (emphasis
27 added) and indicates both the return is filed late and the total tax liability is underpaid. The
28

1 document further states "The delinquent penalty is computed on the total tax due less timely
2 payments and credits." Please define what exactly "timely" means.

3 5B. Please provide a complete list of all types of payments and credits made to FTB which are
4 immediately applied to the taxpayer's account by FTB upon receipt.

5 5C. Please provide a complete list of all types of payments and credits made to FTB which are
6 withheld from the taxpayer's account until that year's tax return is filed.

7 5D. If an estimated tax payment is made on or before the due date, but is withheld by FTB, is that
8 payment considered timely?
9

10 5E. If the timely paid but withheld estimated tax payment is not considered timely, please provide
11 the legal code to justify this policy.

12 6A. The attached page 9 is a page from FTB's standard operations manuals entitled Demand
13 Penalty. It states "a penalty will **not** be imposed if any of the following are met:... We do not assess
14 the penalty when the return has a zero total tax liability." Could you please clarify whether this
15 means the penalty won't be imposed if there was never any tax owed for the tax year or whether this
16 means that the penalty won't be imposed if there is no outstanding balance on that year's tax
17 liability.
18

19 6B. If neither of the above interpretations of the tax policy is correct, please clarify the meaning.
20

21 7A. The attached page 10 is the standard operating procedure manual entitled "Filing Enforcement
22 Fee." It states "we do not assess the penalty when the return has a zero total tax liability." Could
23 you please clarify whether this means the penalty won't be imposed if there was never any tax owed
24 for the tax year or whether this means that the penalty won't be imposed if there is no outstanding
25 balance on that year's tax liability.

26 7B. If neither of the above interpretations of the tax policy is correct, please clarify the meaning.
27
28

1
2 **Questions Regarding Policies of Withholding of Estimated Tax Payments**

3 8. The Taxpayer Advocate's office has stated multiple times that the practice of withholding
4 estimated tax payments made by married couples and the practice of withholding estimated tax
5 payments made via credit elect are both official FTB policy and procedure (see attached pages 11 -
6 12). FTB's Disclosure Department denies that either of these practices currently or have ever
7 existed at FTB (see pages 13 - 15 attached).
8

9 8A. Please explain the discrepancy between the information provided by FTB's Taxpayer's
10 Advocate Office and FTB's Disclosure Department.

11 8B. Please clearly state FTB's policy/procedure regarding withholding of credit elect payments.

12 8C. Please clearly state FTB's policy/procedure regarding withholding estimated tax payments
13 made by married couples.
14

15 9. For tax year 2014, the maximum amount of money that could legally be collected for SDI was
16 \$1016 (see attached page 16). Both of my husband's employers collected the maximum amount, so
17 my husband had paid \$2,032 in SDI that year. A NPA was issued to my husband which did not
18 reflect any SDI overpayments (see attached page 17).

19 9A. Is withholding SDI overpayments an official FTB policy or procedure?

20 9B. If withholding SDI overpayments is an official FTB policy or procedure, please cite the legal
21 code used to justify this practice.
22

23 9C. If withholding SDI overpayments is not an official policy or procedure, please explain why this
24 overpayment was not reflected on the 2014 NPA that was issued to my husband (see attached page
25 17).

26 10A. Please provide a complete list of every type of payment that is subject to being
27 withheld/placed in suspense instead of immediately applied to the taxpayer's account?
28

1 10B. Please provide a complete list of links to every place on your FTB.CA.GOV website that
2 explains the assorted withholding practices that are listed in answer to question 10A.

3 10C. According to standard accounting definitions, a "suspense" account is a general slush fund.
4 Does any person or department within FTB, or person or agency within the State of California, have
5 access to utilize the funds contained in the suspense accounts that the estimated tax payments are
6 placed into?
7

8 10D. Are these "suspense" funds utilized for spending of any sort, whether routinely or
9 sporadically?

10 10E. If the answer to 10D is yes, please list all circumstances under which it is authorized to utilize
11 these "suspense" funds.

12 10F. When FTB calculates revenue collected for the State of CA, does FTB include the monies held
13 in suspense in the revenue totals, or are these funds unaccounted for until they are removed from
14 suspense?
15

16
17 **Policy of Not Allowing Payments of Penalties, Fees and Interest to be Made Via Existing**
18 **Overpayments**

19
20 11. The attached page 18 is a page from my 2011 Abatement Request that I submitted to FTB in
21 July 2014 (the full letter has already been submitted as exhibit 38 for this case). In it, I stated that
22 FTB customer service representative Carrey told me that we could not pay the penalties, fees and
23 interest for tax year 2011 via the overpayment that already existed on tax year 2011. She demanded
24 that we send in another payment of \$3,854.74 (see attached page 19).

25 In May of 2017, another FTB customer representative told me the same information when I
26 asked if I could pay the 2014 penalties and interest via the overpayment that already existed on tax
27

28

1 year 2014. The representative demanded that I mail in another payment of \$4,011.49 (see attached
2 pages 20 - 21).

3 In the attached letter from FTB's Disclosure Department (see pages 13 - 15), the Disclosure
4 Department denies that this policy exists. The letter states "...we do not have any policies regarding
5 the prohibition of payments made towards penalties, fees and interest being paid via credit elect and
6 applied to a specific tax year. Additionally, we have determined that we do not have any policies
7 regarding the prohibition of money being transferred from other tax years where an overpayment
8 was made."

9
10 11A. Could you please explain the discrepancy between the information provided by the Disclosure
11 Department and the information relayed to me by the two FTB employees?

12 11B. If FTB does not have a policy of requiring "new money" to pay penalties, fees and interest,
13 please explain why FTB required me to send in "new money" and would not allow the penalties,
14 fees and interest to be paid via the overpayments for tax years 2011 and 2014?

15 11C. If FTB does have a policy of requiring "new money" to pay penalties, fees and interest, please
16 provide the legal codes to justify this policy/practice.
17

18
19 **Potential Improper Redaction of Documents**

20 12. The attached page 22 is a page from the Notes on my account. FTB fully redacted an entry made
21 somewhere between 01-04-2018 and 01-16-2018.
22

23 12A. Why did FTB redact the date, time and tax year(s)?

24 12B. It is my understanding that dates and times do not qualify as redactable? If this redaction is a
25 violation of protocol, could you please provide me with the date, time of the entry, and tax year(s)
26 the entry applied to ?
27
28

1 12C. If you believe that redacting the date, time and tax year(s) were proper, could you please
2 explain why this redaction is not a violation of protocol?
3

4 DATED: March 27, 2021
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6 Respectfully Submitted,

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Christine Grab, In Pro Per
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Your Income (as estimated)	\$	174,600.00	< See Income Reference Sheet
Standard/Itemized Deduction	-	3,992.00	* (page 3) for a breakdown.
Taxable Income	\$	170,608.00	
Your Tax		13,378.00	
Less Total Exemption Credits	-	108.00	*
Mental Health Services Tax	+	.00	
Tax Before Payments/Credits	\$	13,267.00	
Less Withholding Credits Reported to FTB	-	.00	
Less Other Available Payments and Credits	-	.00	
Your Proposed Tax Liability	\$	13,267.00	↔
Delinquent Filing Penalty	+	3,316.75	↔
Demand to File Penalty	+	.00	
Interest to: 07/06/2016	+	621.28	
Filing Enforcement Fee	+	.00	
Total Tax, Penalties, Interest, and Fee	\$	17,205.03	

This proposed assessment becomes due and payable on September 06, 2016 unless we receive your last return.

	STARTING-VALUES:	ENDING-VALUES:
-> TAXABLE INCOME:	.00	170608.00
-> TAX METHOD / TAX:		13378.00
-> EXEMPTIONS:		108.00
-> CREDITS:		.00
-> OTHER TAXES:		.00
-> TOTAL TAX LIABILITY:	.00	13267.00
-> REFUNDABLE CREDITS:		.00
-> ADDITIONAL TAX:		13267.00
-> PENALTIES:		3316.75
-> INTEREST:		789.90
-> TOTAL:		17373.65

ON AFFIRMATIONS, ONLY NOTICE INTEREST MAY BE MODIFIED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Supporting document for Q3A on page 4:

This is a page from FTB's internal manual explaining how to calculate if a NPA is to be issued (attached) ①

PROTEST RESPONSE PARAGRAPHS

These approved paragraphs are to be used to reply to the taxpayer when they respond to NPA, protest a NPA or other assessment.

For Department Writing Standards go to [REDACTED]

Make sure to complete all fillable portions using the structured format that is provided.

Protest-1099B Income

This letter is in response to your protest of our Notice of Proposed Assessment (NPA). We issued an NPA because you did not file a 20YY California income tax return.

We have reviewed your protest and are unable to make a determination based on the information provided. You must either file a California income tax return or send the statement from the brokerage firm showing the loss.

To ensure proper handling, attach a copy of this letter and send the requested documentation within 30 days of the date of this notice to:

STATE OF CALIFORNIA
FILING ENFORCEMENT SECTION MS F180
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

Or

Fax: 916.855.5646

If you fail to provide the requested documentation within the time frame specified, we will issue a Notice of Action affirming the assessment.

We appreciate your cooperation.

Supporting document for Q 3C on page 4:

Grounds on which FTB will consider
a protest to a NPA. This is a
page from FTB's internal manuals.

(2)

PROTEST RESPONSE PARAGRAPHS

These approved paragraphs are to be used to reply to the taxpayer when they respond to NPA, protest a NPA or other assessment.

For Department Writing Standards go to [REDACTED]

Make sure to complete all fillable portions using the structured format that is provided.

Protest- 1099M for Nonresidents

This letter is in response to your protest of our Notice of Proposed Assessment (NPA). We issued an NPA because you did not file a 20YY California income tax return.

A nonresident's income from California sources include income from a business, trade or profession carried on in California.

For businesses operating within and without California, whose operations are not separate and distinct, the law has changed with regard to how that income is taxed in California. The changes apply to all service businesses, including a nonresident individual with a sole proprietorship, and will affect how to determine whether you conduct business in California.

For detailed information about determining California source income, refer to FTB PUB 1031, *Guidelines for Determining Resident Status*.

Our records indicate you received California sourced income during the 20YY tax year from INSERT PAYER NAME in the amount of \$0.00. To complete our review, we need the following information:

1. What service or activity did you perform for the entity listed above?
2. Copy of your contract between you and the payer on Form 1099-MISC.
3. Copy of your Federal 1040 tax return for 20YY. Please include applicable schedules; Schedule C (Form 1040), Profit or Loss from Business if you report business income as a Sole Proprietorship.

To ensure proper handling, attach a copy of this letter and send the requested documentation within 30 days of the date of this notice to:

STATE OF CALIFORNIA
FILING ENFORCEMENT SECTION MS F180
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

Or

Fax: 916.855.5646

If you fail to provide the requested documentation within the time frame specified, we will issue a Notice of Action affirming the assessment.

We appreciate your cooperation.

Supporting document for Q3C on page 4:
Grounds on which FTB will consider
a protest to a NPA. This is a
page from FTB's internal manuals.

(3)

PROTEST RESPONSE PARAGRAPHS

These approved paragraphs are to be used to reply to the taxpayer when they respond to NPA, protest a NPA or other assessment.

For Department Writing Standards go to [REDACTED]

Make sure to complete all fillable portions using the structured format that is provided.

Protest-1099R Income

This letter is in response to your protest of our Notice of Proposed Assessment (NPA). We issued an NPA because you did not file a 20YY California income tax return.

We have reviewed your protest and are unable to make a determination based on the information provided. You must either file a California income tax return or provide the following documentation:

- If the distribution was non-taxable, provide Form 1099-R and a letter explaining the non-taxable portion of the distribution.
- If the distribution was rolled over, provide a statement from the receiving financial institution or Federal Form 5498, *IRA Contribution Information*

To ensure proper handling, attach a copy of this letter and send the requested documentation within 30 days of the date of this notice to:

STATE OF CALIFORNIA
FILING ENFORCEMENT SECTION MS F180
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

Or

Fax: 916.855.5646

If you fail to provide the requested documentation within the time frame specified, we will issue a Notice of Action affirming the assessment.

We appreciate your cooperation.

Supporting document for a3c on page 4:

Grounds on which FTB will consider a protest to a NPA. This is a page from FTB's internal manuals.

(4)

PROTEST RESPONSE PARAGRAPHS

These approved paragraphs are to be used to reply to the taxpayer when they respond to NPA, protest a NPA or other assessment.

For Department Writing Standards go to [REDACTED]

Make sure to complete all fillable portions using the structured format that is provided.

Protest-Estimated income or no explanation provided

This letter is in response to your protest of our Notice of Proposed Assessment (NPA). We issued an NPA because you did not file a 20YY California income tax return.

We have reviewed your protest and are unable to make a determination. You must either file a California income tax return or explain why you have no requirement to file.

To ensure proper handling, attach a copy of this letter and send the requested documentation within 30 days of the date of this notice to:

STATE OF CALIFORNIA
FILING ENFORCEMENT SECTION MS F180
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

Or

Fax: 916.855.5646

If you fail to provide the requested documentation within the time frame specified, we will issue a Notice of Action affirming the assessment.

We appreciate your cooperation.

Supporting document for Q3C on page 4:
Grounds on which FTB will consider a
protest to NPA. This is a page
from FTB's internal manuals.

(5)

STARTING VALUES	OR	SHORT FORMAT ADJUSTMENTS	ENDING VALUES
STARTING VALUES:			ENDING VALUES:
TAXABLE INCOME:		.00	.00
TAX METHOD / TAX:			
EXEMPTIONS:			
CREDITS:			
OTHER TAXES:			
TOTAL TAX LIABILITY:		77777777	
REFUNDABLE CREDITS:			
		ADDITIONAL TAX	
		PENALTIES:	
		INTEREST:	
		TOTAL:	

NOTICE PREVIOUSLY ISSUED

21. Type code A for withholding credits and [redacted] ending amount. Enter the amount of withholding if any from the NPA. **Note:** If there are any suspense payment (s) that were calculated in the original INC NPA (Other Available Payments/Credits), you will have to create the FE PAWS without the payments. PAWS does not allow users to add any suspense payment (s) when creating FE PAWS.
22. [redacted] to return to the Assessment Menu.

MODIFY REFUNDABLE CREDIT			
CODE	DESCRIPTION	STARTING AMOUNT	ENDING AMOUNT
A	withholding credit	.00	400.00
TOTAL REFUNDABLE CREDIT:		.00	400.00

23. If the Filing Enforcement Fee is assessed, [redacted] to assess fee.

Supporting document for Q3F on page 5. This is a page from FTB's internal manuals which indicates staff are forbidden from adding suspense credits to NPAs.

(6)

Do not perform any monetary transactions on a pending, protested or final Notice of Proposed Assessment (NPA). This includes not allowing additional withholding on the account. Adjustments or changes to NPAs are done by the issuing unit or the Protest Unit. If the taxpayer has received a NPA for additional income and says they have additional withholding that needs to be allowed, create an Internal Support Request (ISR) for Audit Liaison.

Exceptions:

- Go to Section 0101021, **Head of Household**, for HOH Assessments.
- Go to Section 0280500, **PIT Filing Enforcement**, for INC Assessments.

Comments, Erroneous Refund Letter

Go to Section 0400500, **PIT Refunds and Stop Payment, Erroneous Refund Resolutions**, for information how to handle contacts you receive on accounts with comments that state Erroneous refund letter sent for XXTY entered by 348 Audit.

Comments, Oral Hearing

You may receive contacts on accounts with comments that state Referred to **TPTII/ORAL HEARING, PHD TO RE STATUS, TIMELY PROTEST**. These accounts do not have a time frame. However, the Taxpayer's Bill of Rights requires that we resolve these accounts in a timely manner. Advise the taxpayer a Hearing Officer will contact them about the oral hearing.

Return Overlay Hold

If you receive a contact about an account that has a return overlay hold and there are **no** comments from Audit, create an ISR for Audit Liaison.

If you receive a contact about an account that has a return overlay hold and there **are** comments from Audit, follow time frame for amended returns referred to audit.

Pulling Returns

If you are working with a taxpayer on an audit issue, do not pull the original or amended returns. This ensures the tax returns are available for Audit to pull and resolve the audit issue.

Amended Return Filed in Response to an NPA

When we issue an NPA and the taxpayer sends correspondence or files an amended return in response, the status of the amended return on the Returns Received Display is coded Purged. If the amended return was coded Purged in this situation, it means that Audit has the amended return on file and will work it later.

Supporting document for Q36 on page 5.
This is a page from FTB's internal manuals that indicates that staff are not allowed to correct withholdings (2) 12/16/2020

PIT Penalty - Delinquent Penalty

Background:

A delinquent penalty is imposed when both of the following apply:

- A return is filed after the original or extended due date
- There is an unpaid tax on the original due date of the return
- The delinquent penalty (late filing penalty) is computed on the Filing Enforcement Notice of Proposed Assessment (FE NPA) at 25 percent of the tax liability after any refundable credits and payments.
- TI automatically recalculates and adjusts the penalty when the return is filed.

Assessing the Penalty:

The delinquent penalty is imposed on the unpaid tax from the due date of the return, without regard to extension or late payments, until the file date of the return.

The delinquent penalty is computed on the total tax due less timely payments and credits.

The basic penalty is five percent per month, or fraction of a month, up to a maximum of 25 percent of the unpaid tax if not paid within 40 months. Certain taxpayers are subject to this penalty amount or the minimum penalty amount.

A new month is considered starting on the 16th day of the month.

The delinquent penalty may be increased or decreased based on adjustments to tax after the original return is filed.

- Personal income taxpayers and partnerships receive an automatic six month extension.
- Limited liability companies receive an automatic six month extension if they are not suspended.
- Corporations receive an automatic seven month extension if they are not suspended.

Supporting document for Q 5A on page 5.
This is a page from FTB's internal
manuals that explains when a Delinquent
Penalty can be imposed.

PIT Penalty - Demand Penalty

Background:

This guideline applies to all PIT workload when transferring or assessing the demand penalty and/or filing enforcement fee from the wrong account to the correct account.

Demand Penalty:

A demand penalty (Failure to Furnish Information Penalty) may be imposed if an individual fails or refuses to furnish information requested or file a return after receiving a written demand. It is assessed with a Notice of Proposed Assessment after a demand letter is sent to the taxpayer in the filing enforcement process.

Beginning December 23, 2004, pursuant to R&TC 19133, the penalty for PIT taxpayers will only be assessed on repeat non-filers. The penalty is computed as 25 percent of the **lesser** of:

- Tax on our assessment (joint filers; married/RDP), before refundable credits and prepayments
- The tax shown on the return, when filed

We will not impose the 25 percent demand penalty on taxpayers who have historically filed timely returns. We consider the taxpayer a timely filer for purposes of this policy if we have not issued an NPA within the last four years for failing to file a return.

We may reduce but not increase the demand penalty when the return is filed.

Exceptions

A penalty will **not** be imposed if any of the following are met:

- *Repeat non-filers* are PIT taxpayers who failed to respond timely to a *current* demand for tax return and within the previous four tax year period failed to respond to a request or demand for a tax return, and the FTB proposed assessment of tax
- We do not assess the penalty when the return has a zero total tax liability
- We do not assess a demand penalty under \$25 unless a credit exists on the account to cover the penalty
- We do not assess a penalty on PAs issued for tax years 1981 and subsequent if a 4600 series letter is returned to us. The account is

Supporting document for Q6A on page 6.
This is a page from FTB's internal
operating manuals explaining when a
Demand Penalty is to be imposed.

(9)

PIT Penalty - Filing Enforcement Fee

Background:

We assess the FE fee on individuals who fail to file a tax return by the date indicated on the Notice of Demand to file a tax return. The FE fee is often assessed in addition to the Demand Penalty. The Filing Enforcement fee should only be assessed if the tax on the return is above the [REDACTED] threshold.

Exceptions:

A penalty will not be imposed if any of the following are met:

- *Repeat non-filers* are PIT taxpayers who failed to respond timely to a *current* demand for tax return and within the previous four tax year period failed to respond to a request or demand for a tax return, and the FTB proposed assessment of tax
- We do not assess the penalty when the return has a zero total tax liability
- We do not assess a demand penalty under [REDACTED] unless a credit exists on the account to cover the penalty
- We do not assess a penalty on PAs issued for tax years 1981 and subsequent if a 4600 series letter is returned to us. The account is flagged with a return mail indicator code which prevents automatic assessment of the demand penalty

IF	ANa	TeEN
NPA was issued on incorrect SSN/TPID, or working SSN/ITIN	The return was filed after the NPA issue date with tax due for the same year on another number	<ul style="list-style-type: none"> • Use [REDACTED] command in TI; see below • Send ECOM 4191 letter • <u>Comment Taxpayer Folder</u>

Supporting document for Q7A on page 6.
 This is a page from FTB's internal Procedure manual which indicates when a Filing Enforcement Fee is to be imposed. (10)



STATE OF CALIFORNIA
TAXPAYERS' RIGHTS ADVOCATE'S OFFICE MS F280
FRANCHISE TAX BOARD
PO BOX 1468
SACRAMENTO CA 95812-1468

01.25.2019

CHRISTINE GRAB

Dear Ms. Grab:

Thank you for your proposals presented at the Taxpayers' Bill of Rights hearing last December. As the Taxpayers' Rights Advocate, your concerns are important to me. I am always interested in hearing your concerns and partnering with you to help resolve them. Please note the Department's response below to your proposals:

1. End Policy of Withholding Estimated Tax Payments Made Via Credit Elects Until the Taxpayer Files a Return

When a taxpayer makes an estimate tax payment to be applied against a future tax liability by having a current year refund carried over to the next tax year, that amount may only offset a tax liability if one has been established. A tax liability may be created when the taxpayer files a return and self-assesses tax or when FTB's filing enforcement system (INC) builds a nonfiler case. For a self-assessed liability, the taxpayer need only claim withholding and estimated tax payments on the return. For a filing enforcement liability, the department includes any withholding credits plus any estimate payments that are associated to that specific taxpayer in calculating the balance due unless:

- The tax year/account period of the payment does not match the tax year/account period of the assessment.
- The available payments were made jointly with a spouse but the assessment is issued to only one of the individuals.
- The payments were not made timely.
- The payment resides on a different account (example, a posting error).

If a tax liability ends up in collections, our staff are trained to review estimated and suspense payments and allocate them accordingly. Additionally, when phone contact is made with the taxpayer and a credit or payment has been found, the collector will discuss the credit with the taxpayer and how to apply it to the tax year in question. However, for jointly made estimate payments on a filing enforcement liability, a tax return must be filed for the year in question in order to have the payment applied to the balance due.

The U.S. Supreme Court in *Commissioner v. Lundy* (1996) 516 U.S. 235, 133 L.Ed.2d 611 held that where the taxpayer failed to file a return claiming prepayment credits before the statute of limitations expired, any refund or credit of those payments was barred. This is a very basic principle of tax law and codified in Revenue and Taxation Code (RTC) sections 19306 and 19307. The term "suspense" means prepayments that are waiting for a return to be filed, so that they can be credited against the tax shown on the return. FTB must hold payments in suspense until a return is filed claiming those

Supporting document for Q8 on Page 7,
Official Letter Issued by
FTB.

11

credits. See TAM 2005-5 and authority cited.
https://www.ftb.ca.gov/law/Technical_Advice_Memorandums/2005/20050005.pdf

2. End Policy of Withholding Estimated Tax Payments Made by Married Couples

Generally, when taxpayers make joint estimated payments or have an overpayment on a joint return, the estimated payment and/or overpayment are considered as being made by both taxpayers for the joint tax liability. Pursuant to RTC section 19301(a), the amount of the overpayment may be credited against the amount due from both taxpayers and the balance shall be refunded to both taxpayers. As stated above, in order for FTB to refund the overpayment and/or an estimated payment, a joint return would need to be filed for FTB to determine the entire tax amount due had been satisfied for that year.

In the situation where the taxpayers make joint estimated payments or have a joint overpayment and subsequently file separate returns, California law is similar to federal law. Under federal law, the taxpayers can apportion the joint estimated tax payments between them in any manner the taxpayers agree on. (Treas. Reg. § 1.6654-2(e)(5)(ii)(A).) If the spouses can't agree upon an allocation, there are rules in the Treasury Regulations on how to apply the joint estimated tax payments to the spouses' separate liabilities. (Treas. Reg. § 1.6654-2(e)(5)(ii)(B).) Similarly, when FTB issues separate assessments to married taxpayers that go final and are due and payable, FTB cannot allocate the joint estimated tax payments or overpayment to the taxpayers' separate liabilities without a return in which the taxpayers have apportioned their joint overpayment and/or estimated tax payment.

3. Disclose Taxpayers' Rights Hearing to General Public

RTC section 21006 provides for an annual hearing before the Board where industry representatives and individual taxpayers are allowed to present their proposals on law changes. This is a public meeting held annually in December at the Franchise Tax Board and subject to the Bagley-Keene Open Meeting Act. Taxpayers are not required to submit anything in advance of the meeting to access their rights, they only need appear and present their issues.

The Department would disagree with the statement that FTB goes to great lengths to hide the Taxpayer Bill of Rights hearing from the general public. In fact, our Education and Outreach program covers the Taxpayer Bill of Rights hearing at many of our tax professional events. Representing approximately 65% of returns filed, tax professionals often have a clear understanding of FTB policies and procedures from working with us on multiple accounts and issues and have a vested interest in seeing things change for the better. Tax professionals represent all segments of the populations, including those with lower incomes. Tax professionals in many cases are our partners in helping taxpayers file accurately, timely, and pay the correct amount of tax, reducing taxpayer burden.

To ensure the general public is aware of the Taxpayer Bill of Rights Hearing, FTB follows the Bagley Keene Open Meeting Act which requires that we publicly notice this meeting, prepare agendas, accept public testimony and conduct the meeting in public. The required 10-day public notice of the meeting and the agenda is on our website. As the result of your letter last year, we also placed a link to the meeting notice on our home page during the 10-day period preceding the hearing.

Supporting document for Q8 on Page 7.
Official letter issued by FTB.

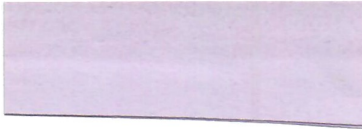


STATE OF CALIFORNIA
FRANCHISE TAX BOARD LEGAL DIVISION
PO BOX 1720, MS: A-260
RANCHO CORDOVA CA 95741-1720

chair **Betty T. Yee** | member **Antonio Vazquez** | member **Keely Bosler**

January 5, 2021

VIA FAX ONLY
CHRISTINE GRAB



RE: Requests for Information

Dear Mrs. Grab:

I am responding to your faxed correspondence, dated December 8, 2020 and December 9, 2020, and your email dated December 15, 2020 (copies enclosed), and received by Franchise Tax Board's (FTB's) Disclosure Office. We are treating your correspondence as requests made under the California Public Records Act (PRA), Government Code section 6250, et seq., and the California Information Practices Act (IPA), Civil Code section 1798, et seq. This letter follows our letter dated December 19, 2020.

Please see our responses below for each of your paraphrased requests (item numbers and italics added):

1. *In your December 8th and 9th faxes, you requested FTB's policies and procedures regarding putting payments into suspense.*

After searching our records, we have determined we do not have any policies regarding putting payments into suspense. However, pursuant to your request, we have enclosed the following procedures from our Taxpayer Information (TI) System Manual:

- TI Manual section 26001
- TI Manual sections 27100, 27105, 27110, 27120, and 27130

2. *In your December 8th and 9th faxes and December 15th email, you requested all of FTB's policies and procedures regarding how disputes/protests to Notices of Proposed Assessment are handled.*

After searching our records, we have determined we do not have any policies regarding Notices of Proposed Assessment. However, pursuant to your request, we have enclosed the following procedures:

- Excerpts from Filing Enforcement (FE) Guidelines
- Customer Service On-Line Information Source: PIT Proposed Assessments

Additionally, you may also wish to view our Manual of Audit Procedures (MAP), Section 15: Protest, which is available on our public website: <https://www.ftb.ca.gov/tax-pros/procedures/manual-of-audit-procedures.html>

Supporting document for Q8 on Page 7.
Official letter issued by FTB.
Also for Q11 on page 9

(13)

January 5, 2021
 Re: Requests for Information
 Page 2

3. *In your December 8th and 9th faxes, you requested the FTB policies, which "...[prohibit] payments of monies owed for penalties, fees and interest to be paid via credit elects [sic] that were applied to that tax year" and that "...prohibits monies to be transferred from other tax years in which an overpayment had been made."*

The Disclosure Office previously responded to your email dated July 26, 2020, which referenced payments made via credit elect specifically for estimate payments, in a letter to you dated August 6, 2020. By that letter, the Disclosure Office referred you back to their letter dated January 30, 2020 and provided links to some specific pages on FTB's public website for additional information regarding estimate payments.

After an additional search of our records, we have determined we do not have any policies regarding the prohibition of payments made towards penalties, fees, or interest being paid via credit elect and applied to a specific tax year. Additionally, we have determined that we do not have any policies regarding the prohibition of money being transferred from other tax years where an overpayment was made. We have no responsive documents to your request.

4. *In your December 8th and 9th faxes, you requested FTB's policies and procedures "...on how excess SDI payments are treated." You stated you are specifically asking for the policy that addresses whether excess SDI payments are considered part of estimated income taxes collected by the employer or if they are considered a different type of payment.*

As we understand your question, we assume you are referring to when an employer or employers withhold excess State Disability Insurance (SDI). Under that assumption, we have enclosed Customer Service On-Line Information Resource: SDI and VDPI, which may contain information responsive to your request.

With regard to estimate payments, the Disclosure Office previously responded to your email dated January 22, 2020, which referenced estimate tax payments, in a letter dated January 30, 2020. By that letter, the Disclosure Office provided you with records regarding Estimated Tax, among others, and provided links to some specific pages on FTB's public website for additional information. We do not have any additional documents responsive to your request for policies regarding estimate payments.

5. *In your December 8th and 9th faxes, under the general heading "Records specific to my husband's and my account," you requested a copy of the refund check in the amount of \$9047.46 issued on March 9, 2014 for the 2002 tax year.*

We do not have any account records for you for the 2002 tax year. Specifically, we do not have a record of the referenced refund check being issued for your account. Under the IPA, we are only able to provide records for your own account. The disclosure of third party records is generally prohibited under Revenue and Taxation Code section 19542 and the IPA. Because you did not file a joint return for the 2002 tax year, we do not have authorization to release Mr. Grab's records to you, except with a power of attorney (FTB 3520-PIT) or other written consent (FTB 3518 C1) signed by him.

Please also note that FTB does not issue tax refund checks and therefore would not have copies to provide in response to a valid request. If you wish to request copies of tax refund checks, you may wish to contact the California State Controller's Office.

Supporting document for Q8 on page 7.
 Official letter from FTB. Also for Q11
 on page 9.

(14)

January 5, 2021
Re: Requests for Information
Page 3

6. In your December 8th and 9th faxes, under the general heading "Records specific to my husband's and my account," you requested a copy of the refund check in the amount of \$1000 issued on April 11, 2011 for the 2002 tax year.

As stated in our response to number 5 above, we do not have any account records for you for the 2002 tax year. Specifically, we do not have a record of the referenced refund check being issued for your account. Under the IPA, we are only able to provide records for your own account. The disclosure of third party records is generally prohibited under Revenue and Taxation Code section 19542 and the IPA. Because you did not file a joint return, we do not have authorization to release Mr. Grab's records to you, except with a power of attorney (FTB 3520-PIT) or other written consent (FTB 3518 C1) signed by him.

Please also note that FTB does not issue tax refund checks and therefore would not have copies to provide in response to a valid request. If you wish to request copies of tax refund checks, you may wish to contact the California State Controller's Office.

7. In your December 8th and 9th faxes, under the general heading "Records specific to my husband's and my account," you requested a copy of the bill that shows payments made for \$1000 on May 15, 2008 and \$9000 on October 15, 2010 for the 2002 tax year.

As stated in our responses to numbers 5 and 6 above, we do not have any account records for you for the 2002 tax year. Under the IPA, we are only able to provide records for your own account. The disclosure of third party records is generally prohibited under Revenue and Taxation Code section 19542 and the IPA. Because you did not file a joint return, we do not have authorization to release Mr. Grab's records to you, except with a power of attorney (FTB 3520-PIT) or other written consent (FTB 3518 C1) signed by him.

8. In your December 8th and 9th faxes, you requested a copy of the bill that a payment made on January 27, 2011 for the 2009 tax year was partially applied to.

Please note that a payment listed as a "bill" indicates a payment made towards an outstanding tax liability. It does not necessarily indicate that we issued a separate bill or notice to you. As such, the Disclosure Office previously responded to your request by providing you with copies of your Account Transcripts and Payments List, which show that the "bill" payments were applied to your outstanding 2009 tax liability. These documents were provided by the Disclosure Office in their letter dated December 20, 2018. We have no documents responsive to your request other than those previously provided.

FTB has redacted some of the records and claims exemptions that apply to the attached records, including, but not limited to, Government Code sections 6254(k), 6254.9 and 6254.19, and Revenue and Taxation Code sections 19542 and 19544, and does not waive any exemptions by not specifically claiming them at this time.

Sincerely,

Dennis Haase

Dennis Haase
Attorney V

Enclosures

Supporting document for Q8 on Page 7.
Official letter issued by FTB. Also for
Q11 on Page 9.

(15)

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News & Information

CCH® UNEMPLOYMENT INSURANCE – 11/19/13 California announces its 2014 contribution rates, SDI employee rate and taxable wage base, meals and lodging amounts

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Business

The contribution rate schedule in effect for 2014 will continue to be Schedule F+. This is Schedule F plus a 15% emergency surcharge, rounded to the nearest tenth. Schedule F+ provides for contribution rates ranging from 1.5% to 6.2%. The taxable wage base for 2014 for UI purposes remains at \$7,000. The new employer rate will be 3.4% and the SDI contribution rate will be 0.1% for 2014. Note that the voluntary UI payment program is not in effect next year.

For 2014, the SDI employee contribution rate remains at 1.0% and the taxable wage base increases to \$101,636.

For calendar year 2014, the cash value of meals and lodging for tax purposes is as follows: three meals per day: \$10.90 (breakfast: \$2.25; lunch: \$3.35; dinner: \$5.30); and a meal not identifiable as either breakfast, lunch or dinner: \$3.90. The cash value of lodging for nonmaritime employees is 662/3% of the ordinary rental value to the public, but not in excess of \$1,255 per month or less than \$40.70 per week. Also effective for 2014, the value scale for quarters furnished to licensed maritime employees is \$8.50 a day for quarters, plus \$10.90 for meals, for a total of \$19.40. For unlicensed maritime personnel, the scale is \$5.75 a day for quarters, plus \$10.90 for meals, for a total of \$16.65 (*EDD Communications*).

PRODUCT CATEGORIES

- ▶ BENEFITS
- ▶ ENERGY & ENVIRONMENT
- ▶ GOVERNMENT CONTRACTS
- ▶ HR MANAGEMENT
- ▶ LABOR & EMPLOYMENT LAW
- ▶ PAYROLL & ENTITLEMENTS
- ▶ PENSION
- ▶ SAFETY / OSHA
- ▶ UNEMPLOYMENT INSURANCE / SOCIAL SECURITY

PRODUCT TRAINING

Resources & Links

- ▶ [Test Your Human Resources Knowledge](#)
- ▶ [Labor Law Journal Submissions](#)
- ▶ [Labor Arbitrators' Awards and Biographies](#)

Supporting document for Q9
Limits on SDI collection. on page 7. indicates



STATE OF CALIFORNIA
 FILING ENFORCEMENT SECTION MS F180
 FRANCHISE TAX BOARD
 PO BOX 942840
 SACRAMENTO CA 94240-0040

Notice of Proposed Assessment

Notice Date: 05/09/2016

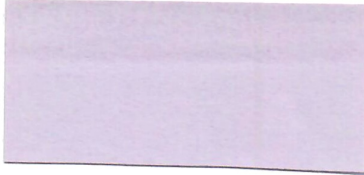
Code Number: 3
 NPA Number: 16-06338126
 Revenue Code: 2003800

Notice Number: 01-8343659-050916



Filing a tax return may reduce your tax obligation.

ERIC W GRAB



On **03/09/2016**, we sent you a notice stating that we had no record of your **2014** California personal income tax return. We asked you to do one of the following by **04/13/2016**

- File a **2014** California personal income tax return.
- Send us a copy of your previously filed California personal income tax return.
- Explain why you do not have a requirement to file a **2014** California personal income tax return.

We have no record of receiving your tax return or information indicating that you do not have a filing requirement. We based this *Notice of Proposed Assessment* on your available income information.

This is a proposed assessment. It is not a tax bill.

Filing a tax return may reduce your tax liability and ensure that you receive full credit for tax withheld by employers, and any other credits, exemptions, and deductions that you have a right to claim.

See Income Reference Sheet (page 3) for a breakdown.

Your Income (as estimated)
 Standard/Itemized Deduction
 Taxable Income
 Your Tax
 Less Total Exemption Credits
 Mental Health Services Tax
 Tax Before Payments/Credits
 Less Withholding Credits Reported to FTB
 Less Other Available Payments and Credits
 Your Proposed Tax Liability

\$ [Redacted]
 \$ [Redacted]
 + .00 *
 + .00
 \$ [Redacted]
 - .00

Delinquent Filing Penalty
 Demand to File Penalty
 Interest to: 05/09/2016
 Filing Enforcement Fee
 Total Tax, Penalties, Interest, and Fee

\$ [Redacted]
 + [Redacted]
 + [Redacted]
 + [Redacted]
 + [Redacted]
 \$ [Redacted]

This proposed assessment becomes due and payable on protest of this proposed assessment.

to receive your tax return or your

You must file a tax return if you have a California filing requirement, even if you pay the amount shown above. If you believe this notice is incorrect, follow the enclosed Protest Procedure. Mail your protest by **July 08, 2016**. We may provide the information contained in this notice to the Internal Revenue Service.

Current bankruptcy law allows us to propose an assessment of tax while you are in bankruptcy. The normal administrative remedies are still available to address the underlying tax issue.

* We based the Standard Deduction and Exemption credits indicated above on a single individual with no dependents. We will revise any difference in filing status, additional deductions, exemptions, or credits when you file your required tax return.

Supporting document for Q9 on page 7

years, instead of applying the money to 2010. Rectifying that took several long and frustrating phone calls.

Another example of a mistake made on our account is when we filed our 2010 taxes. We spoke with Debbie (same person mentioned above) in November 2013, shortly after we filed them. Because we had a \$16,893 refund that was applied to our 2011 return, which was about \$12,000 more than the FTB claimed we still owed on our 2011 tax liability, Debbie put a hold on all action on our 2011 account. Despite the fact that we had a hold on our account, and despite the fact that we had clearly overpaid, the FTB went ahead and filed a wage garnishment with Eric's employer. Wage garnishments are for when someone owes MORE than your estimate, not LESS!!!! That took several phone call to clear up, as well. And it was a humiliating situation for Eric to try to deal with at work. Debbie warned that if we didn't get the 2011 taxes filed by February 2014, the garnishment would be reinstated. WHAT?????

A third example of the heinous mistakes the FTB made on our account is that in March 2014, I found out that the FTB had lost the 2011 tax returns we filed. We sent the originals via certified mail and had a delivery confirmation. We also faxed a copy in and had a fax confirmation. You guys got our 2011 returns twice and lost both copies! And this is only three of many errors. We can cite several more. Trying to rectify the FTB's errors took countless hours and effort on Christine's part. Each one of these mistakes delayed our ability to get the tax returns finished.

The FTB also tends to give Christine different information about policy every single time she talks to them. Christine does what she is told only to be later told "No, that was wrong, you need to do something different." Or, she is assured that whatever the current problem was had been rectified, only to later find out "No, we misinformed you. It isn't rectified at all." Let's go back to the example above with the wage garnishment. Debbie told us it was possible to put a hold on the account to stop any issuing of liens or garnishments. Later we found out it wasn't possible (of course, this doesn't change the fact that you shouldn't be issuing wage garnishments when someone is owed a refund).

Or, for a more recent example of being told erroneous information, on June 2, 2014, Christine spoke with Carrey at 916-845-4270 regarding the balance due on the 2011 tax return due to the penalties and fees. Carrey told Christine that she could transfer money to cover the balance due on 2011 with the refund from 2011 that had been applied to 2012. A month later, we got a nasty gram from the FTB claiming no money had been paid. When Christine called Carrey on July 9, 2013 for an explanation, Carrey said "Oh, yeah... it turns out that the system wouldn't let me pay the 2011 balance with that money...." Sigh. Carrey never bothered to call back to tell us she'd given us incorrect information, she just let another month of interest accrue. We wish this example with Carrey was a one off event, but it is actually a very typical FTB interaction. In almost every single phone call to the FTB, we are given erroneous information. There seems to be no consistency or rhyme or reason

Supporting document for Q 11 on page 8

EXHIBIT 38- 8 of 10

(19)

TAX YEAR CURRENT VALUES DISPLAY

Tuesday, October 13, 2020
10/13/20

GRAB

TAX YEAR: 11 APE: 1211

LN	ITEM NAME	EFFECTIVE DATE	CURRENT VALUES	
			DEBIT	CREDIT
1	TOT TAX LIAB	041512		
2	TAX WITHHELD	041512		
3	BILL PAYMENT	070914		3,854.74
4	EST TR FR 10	041511		9,000.00
5	EST TR FR 10	041511		4,393.00
6	EST TR TO 12	041512		
7	DELINQ PEN	041512		
8	DEMAND PEN	031113		
9	TOT INT CHRGD		3,540.75	
10	FE COST FEE	031113	143.99	
11	COLL COST FEE		170.00	
TOTALS				
CURRENT BALANCE				

DEMAND PENALTY INFORMATION DISPLAY

10/13/20

GRAB

TAXPAYER ID : [REDACTED]
 SPOUSE ID : [REDACTED]
 TAX YEAR : 11
 APE : 1211
 INT EFFECT DATE : 03/11/13
 DEMAND PENALTY AMT : 3,540.75
 STATUS : AUTOMATIC
 STATUS REASON :
 STATUS DATE :

DEMAND PENALTY COMPUTATION:

TAX LIABILITY/ FE PA BASE AMT		RATE		COMPUTED PENALTY AMT
14,163.00	x	25%	=	3,540.75

Supporting document for Q11 on Page 19. This is a page from FTB's internal records they submitted for the Superior Court case. Exhibit 11

Date & Time: 05/12/2017 6:21 PM

Tax Year: 2013

Multiple Tax Years: Yes

Comment
Details:

6716 letter in ECOM for 2014 and 2015. They currently have a balance due of \$4,006.22 on tax year 2014 for penalty, we must honor the Estimate Transfer request and bill for penalties.

Date & Time: 05/09/2017 7:59 AM

Tax Year: 2014

Multiple Tax Years: No

Comment Details: Cancelled tax year for <121-36883-38> to process MFJ return with Multiple FEs. Performed [REDACTED]

Date & Time: 03/30/2017 12:51 PM

Tax Year: 2014

Multiple Tax Years: No

Comment Details: CORR-201611300007807 recd 11/30/16 4963 TY 14, already worked nfa

Date & Time: 03/30/2017 12:45 PM

Tax Year: 2013

Multiple Tax Years: No

Comment Details: CORR-201611300007737 recd 11/30/16 540 TY13 2pg acct prev worked nfa

Date & Time: 03/29/2017 3:58 PM

Tax Year: 2013

Multiple Tax Years: No

Supporting document for Q11 on page 8 - FTB's internal notes on our account.

TAX YEAR CURRENT VALUES DISPLAY

10/13/20

GRAB

TAX YEAR: 14 APE: 1214

LN	ITEM NAME	EFFECTIVE DATE	CURRENT VALUES	
			DEBIT	CREDIT
1	TOT TAX LIAB	041515		
2	TAX WITHHELD	041515		
3	EXCESS SDI CR	041515		
4	BILL PAYMENT	020816		1,016.00
5	BILL PAYMENT	053116		2,751.05
6	BILL PAYMENT	061217		28.20
7	EST TR TO 13	041514		4,011.49
8	EST TR FR 13	041514		
9	EST TR TO 15	041515		
10	EST TR FR 13	041514		
11	EST TR TO 15	041515		
12	DELINQ PEN	041515		
13	DEMAND PEN	050916		
14	TOT INT CHRGD		146.86	
15	FE COST FEE	050916		
16	WRITE-OFF	061517		8.37
TOTALS				
CURRENT BALANCE				

Total interest charged: 146.86

Correct #'s: 68.12
+ 69.18
+ 7.29

144.59

- 68.53 > Pg 29
- 71.04

7.29
- 7.04 Pg 28

25 cents

Overcharged by \$2.27

Supporting document for 08 on pages 11-12. FTB's internal records of our account. Exhibit 41

Date & Time: 01/16/2018 10:57 AM

Tax Year:

Multiple Tax Years: No

Comment Details: Ms Christine called forgot username and sttd entered PIN previously. Verified proofing, no active account. Advised can reregister and await another PIN. Advised of expiration date

[REDACTED]

Date & Time: 01/04/2018 1:12 PM

Tax Year:

Multiple Tax Years: No

Comment Details: TP transferred from executive office per letters she has been sending to Selvi. She advised she is working with Chris Calhoun and does not have his contact information. Provided phone number and advised she can call and if no response leave a detailed msg and she will be contacted within 24hrs. She requested to be assigned to someone else advised that the agent she worked with is mor familiar with her case and that is not an option at this time.

Date & Time: 11/07/2017 3:24 PM

Tax Year:

Multiple Tax Years: Yes

Comment Details: Recevied an email from Meegen in Senator Jerry Hill's office. TP contacted submitted a bill proposal regarding the way estimate payments are applied. She wants payments to be applied to the TY whether or not a return is filed. She said FTB never gave her the RTC that explained this. I quoted for our letters in response. From my 07.10.2017 letter: "In your letter you stated that you remitted payments for your 2010 tax year that were placed into suspense. You stated that we charged you penalties, fees, and interest even though we had money in suspense. However, this payment was submitted jointly, for you and Mr. Grab. Therefore, we could not post it to your account until your return was filed and

Supporting document for 01/2 on page 9.

Page 3 of 23

Internal FTB Document from the Grab Redact-0095
Notes on our account

163
22