

Eric and Christine Grab

[REDACTED]
January 30, 2013

Franchise Tax Board
PO Box 942840
Sacramento, CA 94240-0040

Re: [REDACTED] and [REDACTED]

Dear Franchise Tax Board,

Here is the update on our 2010 and 2011 tax return filing: After I sent you a letter explaining our income dilemma, you sent us forms to file a dispute. I used these forms as leverage with [REDACTED] warning them that if they didn't help me figure out our W2 problem that we'd file the dispute. After this threat, [REDACTED] finally got to the bottom of the W2 discrepancy.

As we mentioned in our last letter, when we moved from Burbank to San Diego in January 2011, our mail never got forwarded to us. All of our tax forms for 2010 were lost in the mail. When we requested replacements from [REDACTED] they sent us the aforementioned W2 that looked incorrect to us. The social security wages were correct, but the total wages were way too much. It turned out there was a supplemental form they were supposed to give us regarding shares that were converted to [REDACTED] stock during the sale of [REDACTED]. (A few months later the company was again sold to [REDACTED], so [REDACTED] had a hard time locating [REDACTED] records.) We now have that form and are closer to being able to file our taxes.

However, our personal life continues to be hectic. Our baby is really, really difficult. He has acid reflux, which makes him a poor sleeper. He still gets up somewhere between 3 and 6 times per night and doesn't nap much. Since he sleeps so little and physically doesn't feel good, he is a total grump during the day and requires a tremendous amount of attention, energy and patience.

Eric's parents still refuse to let a stranger into their house to help care for Eric's father, who has a disorder called hydrocephalus. At this point, Eric's father is more or less a vegetable that cannot walk or think. Eric's mom is 81 and going blind from macular degeneration, so she is having a hard time caring for her husband. We drive to Winchester (63 miles away) just about every weekend to help his parents.

Christi's father, who will be 80 soon, lives with a significant other (they were married but divorced and got back together and never remarried). The significant other was imprisoned from August through December 2012. During that time, he stayed with us at our house several days a week because his arthritis is really bad

Tax years 2010 & 2011

and he cannot do things like shower without help. Fortunately, now that the significant other is out of jail, we no longer have to care for my dad, but he did take a big toll on us during those four months.

Eric and I joke that we have three babies: our son and both our fathers. Eric and I are both physically and emotionally exhausted, and mentally not up to par as a result of almost 10 months with no sleep and very little time for general rest.

The court case with our tenant continues to drag on. We go to court again on February 15, 2013. Over the almost 10 months of litigation, I have easily put over 200 hours into the case (the former tenant filed suit when the baby was 2.5 weeks old). We can't wait until the suit is over and we cannot believe it has dragged on for so long.

Eric works very long days and travels frequently for work, so Christi has to take care of pretty much all the life chores all by herself.

We both really want to get the tax returns filed. We have a HUGE refund coming from 2010 and a decent refund coming from 2011. We also want to refinance both our boat and house to take advantage of the super low rates. We cannot refinance either one until the taxes for those years are filed. We swear that as soon as we get some breathing room and are a little more "with it" mentally speaking, those tax returns will be filed!

Regards,

Christine Grab



03/29/2013

Notice Number: 01-7623900-032913

CHRISTINE N GRAB



We approved your request for additional time to file your **2011** tax return. You must file the tax return by **06/27/2013**. Please send your completed tax return to the address above.

What happens if I file by 06/27/2013 ?

We assess a delinquent filing penalty (as explained below) and applicable interest if your tax return is filed late and the total tax was not paid in a timely manner. If you are entitled to a refund, you will receive your refund once your tax return is processed. To check the status of your refund, go to **ftb.ca.gov**.

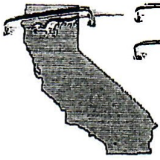
What happens if I do not file by 06/27/2013 ?

We estimate your tax based on the information we received concerning your income or other information indicating that you may have a filing requirement. In addition, we may assess:

- 1. Delinquent Filing Penalty** - If you do not file your tax return by the extended due date, we impose a penalty of 25 percent of the amount due, after applying any payments and credits made on or before the original tax return due date. We impose the penalty from the original due date of the tax return. (Revenue and Taxation Code Section 19131)
- 2. Interest** - Generally, interest accrues on unpaid liabilities from the original due date of the tax return until the date we receive full payment. Interest accrues on unpaid limited liability company annual tax from the due date of the annual tax. We also charge interest on penalties. (Revenue and Taxation Code Section 19101 and 19521)

Internet and Telephone Assistance

Website: **ftb.ca.gov**
Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments



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

Notice of Proposed Assessment

Notice Date: 03/11/2013

Telephone: 866.204.7902
 Fax: 916.855.5646
 ftb.ca.gov/inc



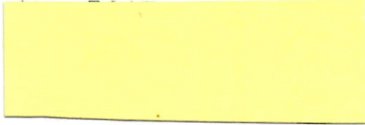
Code Number: 3
 NPA Number: 13-02578103
 Revenue Code: 2003800

Notice Number: 01-9007061-031113

Filed returns 11-8-13

Filing a tax return may reduce your tax obligation.

ERIC W GRAB



On 01/04/2013, we sent you a notice stating that we had no record of your 2011 California personal income tax return. We asked you to do one of the following by 02/06/2013

- File a 2011 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 2011 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 proposed assessment on available information concerning your income.

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.

Your income (as estimated)	\$	[Redacted]	See Income Reference Sheet (page 3) for a breakdown.
Standard/Itemized Deduction	-	[Redacted]	*
Taxable Income	\$	[Redacted]	
Your Tax		[Redacted]	
Less Total Exemption Credits	-	[Redacted]	*
Mental Health Services Tax	+	[Redacted]	
Tax Before Payments/Credits	\$	[Redacted]	
Less Withholding Credits Reported to FTB	-	[Redacted]	
Less Other Available Payments and Credits	-	[Redacted]	
Your Proposed Tax Liability	\$	[Redacted]	.00
Delinquent Filing Penalty	+	[Redacted]	
Demand to File Penalty	+	[Redacted]	
Interest to: 03/11/2013	+	[Redacted]	
Filing Enforcement Fee	+	[Redacted]	
Total Tax, Penalties, Interest, and Fee	\$	[Redacted]	

This proposed assessment becomes due and payable on May 10, 2013, unless we receive your tax return or your protest of this proposed assessment.

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 procedures. Mail your protest by May 10, 2013. We may provide the information contained in this notice to the Internal Revenue Service.

* 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.

1 **REQUEST FOR ADMISSION NO. 5:**

2 Admit that attached hereto as Exhibit E, is a true and correct copy of YOUR response sent
3 to the FTB from its correspondence titled "Demand for Tax Return" for the 2011 tax year.

4 **REQUEST FOR ADMISSION NO. 6:**

5 Admit that attached hereto as Exhibit F, is a true and correct copy of YOUR response sent
6 to the FTB from its correspondence titled "Demand for Tax Return" for the 2013 tax year.

7 **REQUEST FOR ADMISSION NO. 7:**

8 Admit that attached hereto as Exhibit G, is a true and correct copy of YOUR response sent
9 to the FTB from its correspondence titled "Demand for Tax Return" for the 2014 tax year.

10 **REQUEST FOR ADMISSION NO. 8:**

11 Admit that YOU received the FTB's correspondence titled "Final Notice Before Levy"
12 issued on October 8, 2013, attached hereto as Exhibit H.

13 **REQUEST FOR ADMISSION NO. 9:**

14 Admit that YOU received the FTB's correspondence titled "Demand for Tax Return"
15 issued on January 4, 2013, attached hereto as Exhibit I.

16 Dated: March 26, 2021

17 Respectfully Submitted,

18 MATTHEW RODRIQUEZ
19 Acting Attorney General of California
20 BRIAN D. WESLEY
21 Supervising Deputy Attorney General

22 

23 ANNA BARSEGYAN
24 Deputy Attorney General
25 *Attorneys for Defendant*
26 *Franchise Tax Board*

27 SD2020500859

EXHIBIT E

Eric and Christine Grab
[redacted]

April 5, 2013

Franchise Tax Board
PO Box 942840
Sacramento, CA 94240-0040

Re: [redacted]

Dear Franchise Tax Board,

We received your letters granting the tax filing extension to Christine for the 2010 and 2011 tax years. We are currently working on the 2010 taxes, but it is unlikely that we will be able to get the 2010 taxes filed by the April 27, 2013 deadline that you set.

In good news, the litigation with the former tenant is over, which opens up some time. Also, our baby has outgrown his digestive issues and is no longer grumpy all the time. In bad news, while the baby is not as difficult anymore overall, he is still a terrible sleeper. He usually only takes two half hour naps per day and still wakes between 2 and 8 times per night. It has now been 55 weeks since Christi has had more than 4 consecutive hours of sleep - and those 4 hour stretches are few and far between. The lack of sleep is wearing on her mental capacities. In more bad news, when Christine's father was staying with us the last few months of 2012, it became clear that he needed more medical attention than he had been getting. Christine is now regularly flying to Las Vegas to take her father to various doctor appointments to improve his health. Eric still works ridiculous hours and travels often for his job. And Eric's parents still require a tremendous amount of help.

So, while we are working on the taxes every chance we get, we don't get many chances. And, Christine is working at a slower than normal pace due to diminished brain capacity from lack of sleep. At the pace we are going, we believe we will be able file the 2010 taxes near the end of May. Once 2010 is done, we can work on 2011.

* [We also received the letter of proposed assessment that you sent to Eric. In the letter, you calculated that Eric owed [redacted] taxes (before penalties and interest) based on the standard deduction of [redacted]. However, we will be itemizing our 2011 deductions.] *

* Our mortgage interest on our primary residence was about [redacted]

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Our rental property was vacant for the better part of the year because the tenant in the property had turned it into a marijuana grow house and had done extensive damage (this is the tenant that we were in litigation with for an entire year that was finally wrapped up at the end of February 2013). The house had to be remodeled, which took about 6 months. We collected about [redacted] in rent for the whole year, but the mortgage interest on the rental house was at [redacted] and the property taxes were about [redacted]. The remodel cost us over \$ [redacted] (I am not sure how much of the remodel cost is deductible; I haven't had a situation like this arise before).

* [We have more deductions to itemize on our 2011 taxes, as well. But, I think it is clear from just the mortgage interest on our primary residence and our loss on our rental property (not including the remodel costs) that our adjusted gross income will be less than [redacted] and that we are actually owed a refund for the tax year 2011.] *

* [Enclosed is a copy of the mortgage interest statements for both the primary and the rental properties and the property tax bill for the rental house.] *

Please let us know if you have any further questions. As I have said in the previous letters, we are owed a HUGE refund from 2010, so we really are trying to get the 2010 taxes done as soon as possible. And we will try to get 2011 done as soon after that as we can.

Regards,
Christine Grab

CN03469313142532029785

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PIT Protest - Common Scenarios

COMMON SCENARIOS TO REVIEW BEFORE WORKING AN NPA

	IF	AND	THEN	F/U P
1	TP requests to waive penalties	NPA Pending/Final	Route to CASES	N
2	TP paid-in-full, and does not protest	NPA Pending	Remove Protest Hold in TI (TI will apply the PA payment)	N
3	TP paid-in-full, protest is untimely	NPA Final	Follow <u>Untimely Protest</u> steps	N
4	TP made partial payment and DOES protest timely	NPA Pending/Final	Follow <u>Timely protests</u> steps	Y
5	TP made payment-in-full or partial payment and is, requesting penalty/interest waiver and does not protest	NPA Pending/Final	Route to CASES	N
6	TP protests timely and requests IA	NPA Pending/Final	Follow <u>Timely protests</u> steps, send 3567 using WHLB	Y
7	Returned mail, response: TP does not live here	NPA Pending/Final	Follow Unit procedures	Y
8	TP requests extension to file return	NPA Pending	Follow "If No Return Located"	Y

A QRW asks the taxpayer(s) to provide their social security number, telephone number, date and signature. We do not require taxpayers to provide all the information as outlined on **Form 7275** (Personal Income Tax Notice of Proposed Assessment Information) to file a protest.

If the taxpayer doesn't provide the QRW but states they do not agree in a letter, we will still **accept it as a protest** as long as their response is within the protest period.

The ████ command is used to change or remove the protest status of a PA in TI. Once placed in protest, the PA will stay in protest indefinitely until a user takes it out of protest, withdraws/abates the PA, or affirms the PA.

PIT Protest - Referral Location Code

Referral Location Code	Group Assigned in Command in TI	Reason for Referral
P	Protest Hold	No one has worked case (waiting to be worked), All Income Models
S	PIT Filing	PIT FE (all other models) and NPA is mailed to taxpayer (Jackie's team)
11	1098 FILING ENFORCE	1098 and K-1 Income Models and NPA is mailed to taxpayer (Danielle's team)
R	PIT Protest Control	When TP requests "Oral Hearing", Any Income Model
X	Taxpayer	Return is sent for processing
I	Info Validation	ID Theft Cases, Any Income Model
K	Illegal Tax Protester	FAN Case, Any Income Model
A	Taxpayer Services	Correspondence routed to other

Your Name: ERIC W. GRAB

Your SSN or ITIN: [REDACTED]

Overpaid Tax/ Tax Due	91 Overpaid tax. If line 75 is more than line 64, subtract line 64 from line 75	91	
	92 Amount of line 91 you want applied to your 2013 estimated tax	92	
	93 Overpaid tax available this year. Subtract line 92 from line 91.	93	
	94 Tax due. If line 75 is less than line 64, subtract line 75 from line 64.	94	

Use Tax	95 Use Tax. This is not a total line (see instructions)	95	
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		Code	Amount
Contributions	California Seniors Special Fund (see instructions)	400	
	Alzheimer's Disease/Related Disorders Fund	401	
	California Fund for Senior Citizens	402	
	Rare and Endangered Species Preservation Program	403	
	State Children's Trust Fund for the Prevention of Child Abuse	404	
	California Breast Cancer Research Fund	405	
	California Firefighters' Memorial Fund	406	
	Emergency Food For Families Fund	407	
	California Peace Officer Memorial Foundation Fund	408	
	California Sea Otter Fund	410	
	Municipal Shelter Spay-Neuter Fund	412	
	California Cancer Research Fund	413	
	ALS/Lou Gehrig's Disease Research Fund	414	
	Child Victims of Human Trafficking Fund	419	
	California YMCA Youth and Government Fund	420	
California Youth Leadership Fund	421		
School Supplies for Homeless Children Fund	422		
State Parks Protection Fund/Parks Pass Purchase	423		
110 Add code 400 through code 423. This is your total contribution.	110		

Amount You Owe	111 AMOUNT YOU OWE. Add line 94, line 95, and line 110 (see instructions). Mail to: FRANCHISE TAX BOARD, PO BOX 942867, SACRAMENTO CA 94267-0009	111	
	Pay online — Go to ftb.ca.gov for more information.		

Interest and Penalties	112 Interest, late return penalties, and late payment penalties	112	
	113 Underpayment of estimated tax. Check box: <input type="checkbox"/> FTB 5805 attached <input type="checkbox"/> FTB 5805F attached	113	
	114 Total amount due (see instructions). Enclose, but do not staple, any payment.	114	

Refund and Direct Deposit	115 REFUND OR NO AMOUNT DUE. Subtract line 95 and line 110 from line 93 (see instructions). Mail to: FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0009	115	0.
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Fill in the information to authorize direct deposit of your refund into one or two accounts. Do not attach a voided check or a deposit slip (see instructions).
Have you verified the routing and account numbers? Use whole dollars only.
 All or the following amount of my refund (line 115) is authorized for direct deposit into the account shown below:

_____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings	_____	_____
● Routing number	● Type	● Account number	● 116 Direct deposit amount

The remaining amount of my refund (line 115) is authorized for direct deposit into the account shown below:

_____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings	_____	_____
● Routing number	● Type	● Account number	● 117 Direct deposit amount

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08/03/2015

Notice Number: 01-7942828-080315

ERIC W GRAB



We approved your request for additional time to file your **2013** tax return. You must file the tax return by **07/30/2015**. Please send your completed tax return to the address above.

What happens if I file by 07/30/2015 ?

We assess a delinquent filing penalty (as explained below) and applicable interest if your tax return is filed late and the total tax was not paid in a timely manner. If you are entitled to a refund, you will receive your refund once your tax return is processed. To check the status of your refund, go to ftb.ca.gov.

What happens if I do not file by 07/30/2015 ?

We estimate your tax based on the information we received concerning your income or other information indicating that you may have a filing requirement. In addition, we may assess:

1. **Delinquent Filing Penalty** - If you do not file your tax return by the extended due date, we impose a penalty of 25 percent of the amount due, after applying any payments and credits made on or before the original tax return due date. We impose the penalty from the original due date of the tax return. (Revenue and Taxation Code Section 19131)
2. **Interest** - Generally, interest accrues on unpaid liabilities from the original due date of the tax return until the date we receive full payment. Interest accrues on unpaid limited liability company annual tax from the due date of the annual tax. We also charge interest on penalties. (Revenue and Taxation Code Section 19101 and 19521)
3. **Demand to File Penalty** - If you do not file the tax return within the time period specified in this letter, we impose a penalty of 25 percent of the total tax amount before applying any payments or credits. Therefore, you may owe penalties and interest even if your tax return shows the tax was paid timely. This penalty is in addition to the 25 percent delinquent filing penalty. We impose the penalty from the date of the Notice of Proposed Assessment. (Revenue and Taxation Code Section 19133)
4. **Cost Recovery Fees** - We charge a filing enforcement cost recovery fee if we must take action to resolve your filing delinquency. (Revenue and Taxation Code Section 19254)
5. **Nonqualified/Nonregistered, Suspended, Forfeited Penalty** - We impose a \$2,000 penalty on entities who fail to file a tax return within 60 days after we send a demand to file. This penalty applies to nonqualified, suspended, or forfeited corporations and to nonregistered, suspended, or forfeited limited liability companies doing business in California. (Revenue and Taxation Code Section 19135)

TIP: To avoid the demand penalty and cost recovery fee, file your tax return by 07/30/2015.

Internet and Telephone Assistance

Website: ftb.ca.gov
 Telephone: 800.852.5711 from within the United States
 916.845.6500 from outside the United States
 TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

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

Notice of Proposed Assessment

Notice Date: 08/10/2015

Telephone: 866.204.7902
 Fax: 916.855.5646
 ftb.ca.gov/inc



Code Number: 3
 NPA Number: 15-06486942
 Revenue Code: 2003800

Notice Number: 01-2026693-081015

Filing a tax return may reduce your tax obligation.

ERIC W GRAB



On 01/27/2015, we sent you a notice stating that we had no record of your 2013 California personal income tax return. We asked you to do one of the following by 07/30/2015

- File a 2013 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 2013 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 proposed assessment on available information concerning your income.

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.

Your Income (as estimated)	\$	[REDACTED]	See Income Reference Sheet (page 3) for a breakdown.
Standard/Itemized Deduction	-	[REDACTED]	*
Taxable Income	\$	[REDACTED]	
 Your Tax			
Less Total Exemption Credits	-	[REDACTED]	
Mental Health Services Tax	+	[REDACTED]	.00 *
Tax Before Payments/Credits	\$	[REDACTED]	.00
Less Withholding Credits Reported to FTB	-	[REDACTED]	
Less Other Available Payments and Credits	-	[REDACTED]	.00
Your Proposed Tax Liability	\$	[REDACTED]	
 Delinquent Filing Penalty	+	[REDACTED]	
Demand to File Penalty	+	[REDACTED]	
Interest to: 08/10/2015	+	[REDACTED]	
Filing Enforcement Fee	+	[REDACTED]	
Total Tax, Penalties, Interest, and Fee	\$	[REDACTED]	

This proposed assessment becomes due and payable on **October 09, 2015**, unless we receive your tax return or your protest of this proposed assessment.

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 procedures. Mail your protest by October 09, 2015. We may provide the information contained in this notice to the Internal Revenue Service.

* 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.

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

Notice of Proposed Assessment

Notice Date: 08/10/2015

Telephone: 866.204.7902
 Fax: 916.855.5646
 ftb.ca.gov/inc



Code Number: 16
 NPA Number: 15-06494077
 Revenue Code: 2003800

Notice Number: 01-2217063-081015

Filing a tax return may reduce your tax obligation.

CHRISTINE N GRAB

On 04/22/2015, we sent you a notice stating that we had no record of your 2013 California personal income tax return. We asked you to do one of the following by 07/30/2015

- File a 2013 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 2013 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 proposed assessment on available information concerning your income.

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.

Your Income (as estimated)	\$		See Income Reference Sheet (page 3) for a breakdown.
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	-	.00	
Less Other Available Payments and Credits	-	.00	
Your Proposed Tax Liability	\$		
Delinquent Filing Penalty	+		
Demand to File Penalty	+		
Interest to: 08/10/2015	+		
Filing Enforcement Fee	+		
Total Tax, Penalties, Interest, and Fee	\$		

over from 2012. Filed 2013 on 6-16-14.

This proposed assessment becomes due and payable on **October 09, 2015**, unless we receive your tax return or your protest of this proposed assessment.

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 procedures. Mail your protest by October 09, 2015. We may provide the information contained in this notice to the Internal Revenue Service.

I called in and was told the missing rollover money was a mistake & to re-fax tax returns

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



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

Payment Received - No Return on File

Date: 08/31/15
Account No.: [REDACTED]
Tax Year: 2013

ERIC GRAB
[REDACTED]

Why am I receiving this letter?

We received an estimated tax payment in the amount of \$ [REDACTED] for the account number and tax year shown above. However, we have no record of a California income tax return on file under this account number.

How should I respond to this letter?

If you filed a California income tax return for the tax year shown above:

- Send a complete copy of your tax return with all wage statements (Forms W-2) to the address above.
- Attach a copy of this letter to your reply to ensure proper identification.

If you have not filed a California income tax return for the tax year shown above:

- You must file a tax return to claim a refund or credit, even if you do not have a filing requirement.
- You can download tax forms at ftb.ca.gov, or order them by phone at the number shown below.

Your return must be received by us before the applicable statute of limitations date.

What happens if I don't respond?

We may not be able to allow you a refund or a credit if you do not respond in a timely manner. There is a time limit, known as the statute of limitations for claiming a refund or credit (California Revenue and Taxation Code Section 19306). Under this statute you must file your tax return, which functions as your claim for refund or credit, by the latest of:

- (1) Four years from your return's original due date,
- (2) Four years from the date you filed your return, if you filed by the extended due date, or
- (3) One year from the date you made the payment. Payments of estimated tax are considered paid on the original due date of the return.

Privacy information

See the enclosed FTB 1131, *Franchise Tax Board Privacy Notice*.

Internet and Telephone Assistance

Website: ftb.ca.gov
Telephone: 800.852.5711 from within the United States
916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments

(175)