

From: Christi Grab [REDACTED]
Subject: Legislative Change Request #3 -- Repeal R&TC 19179(c)(2) -- This is a violation of the right to protest penalties
Date: December 16, 2024 at 7:58 AM
To: [REDACTED]
Cc: [REDACTED]



Christine Grab
[REDACTED]
[REDACTED]
[REDACTED]

December 16, 2024

Dear Assemblyman Ward:

I request that you submit legislation to repeal Revenue and Tax Code 19179(c)(2) as this law is a violation of the California and US Constitutions. I made this request a couple of years ago. You chose not to carry it then, but I hope you will now.

This law allows the Franchise Tax Board (FTB) to penalize a taxpayer \$5,000 for exercising their right to Protest. This law directly violates R&TC Sections 21010 and 20102, which guarantees the Right to Protest as a part of the California Taxpayer Bill of Rights. It is unconscionable that a law that allows the taxation agency to punish someone for exercising their rights was enacted in the first place.

This issue goes beyond civil rights. The Franchise Tax Board sends notices threatening that the Taxpayer will be assessed a penalty of \$5,000 if the Taxpayer does not withdraw his Protest or alter his return as preferred by the bureau. These coercive threats of penalty violate multiple federal criminal codes, including 18 USC §1512, Tampering with a witness; 18 USC §872 and §1951(b), Extortion; 18 USC §876 and §1341, Mailing threatening communications.

This issue ties together with my other legislative requests. As I mentioned in my Legislative Request #1, conform to IRS guidelines by treating married couples as one tax entity, the FTB “misclassified” all of my and my husbands Protests in order to violate our right to Protest under R&TC Sections 21010 and 20102. Knowing that FTB has one scheme in place to impose false penalties by abusing the marriage loophole, it should be no surprise that FTB is abusing Revenue and Tax Code 19179(c)(2) in a second scheme.

Several people have contacted me to tell me that FTB is by improperly utilizing R&TC 19179(c)(2). R&TC 19179(c)(2) is only supposed to be utilized for a certain type of tax filing, called a Frivolous Filing. The California Revenue and Taxation Code §19179(d)(1), provides a set of specific Positions which defines a Frivolous Filing.

The people that I spoke with stated that FTB labeled their filings as Frivolous when the taxpayer's return do not qualify as Frivolous per the guidelines set forth in R&TC §19179(d)(1). The taxpayers all asked for the Frivolous Position Number from R&TC §19179(d)(1), which is the legal basis for imposing this penalty. In each one of their cases, FTB refused to provide that information. FTB has no authority to assess a penalty without first disclosing the facts of the purported violation. With no legal basis established, each of those penalties were unlawfully imposed. With no hearing offered to Protest this assessment of Frivolous, FTB employees are behaving extrajudicially to Conspire Against Rights per 18 USC §241.

This abuse of authority circles back to my legislative request #2 that FTR be required to have Superior

This abuse of authority circles back to my legislative request #2 that FTB be required to have Superior Court oversight in order to issue wage garnishments, liens and levies. In Request #2 and this Request #3, I have described two schemes that FTB utilizes to unlawfully stop people from Protesting improper penalties imposed by FTB. Legislators need to ensure that a neutral third party is utilized for remediation as the California law intended.

Please immediately repeal R&TC 19179(c)(2) in order to bring the Revenue and Taxation Code in line with the Taxpayer Bill of Rights. I appreciate your attention to this matter and look forward to this item being corrected early in the 2023 legislative cycle.

Regards,

Christine Grab
Psalm 64