

From: Christi Grab [REDACTED]
Subject: One More Frustration to Add
Date: November 21, 2017 at 9:10 AM
To: FTBAdvocate@ftb.ca.gov, [REDACTED]
Cc: [REDACTED]



Hi Ms. Maples:

I have one more frustration to add regarding this game of policy v law.

Every Taxpayer Advocate I have talked to tells me that if I don't like the law, I need to talk to my state representatives about changing it. I have talked to my representatives multiple times now. But here's the problem: the FTB still has yet to provide this alleged law, so the legislators, understandably, believe this is only a FTB policy matter.

So I am stuck in bureaucracy hell. The FTB staunchly refuses to provide the law so I can take it to the legislators, nor will the FTB acknowledge it is a policy matter and address it at the meeting. Obstructionism like this is not legal.

Regards,

Christine Grab

Begin forwarded message:

From: Christi Grab <[REDACTED]>
Subject: Re: For the Bill of Rights Meeting on December 7
Date: November 20, 2017 at 8:17:22 PM PST
To: FTBAdvocate@ftb.ca. ov, [REDACTED]
Cc: [REDACTED]

Dear Ms. Maples:

Thank you for having Lilah call me regarding the letter that I sent in (a copy of which is below). I appreciate you letting me know that you will not read my letter at the meeting.

In our conversation, Lilah mentioned that the FTB will basically disregard my letter because holding rollover in suspense money in is a "matter of law that the FTB has no control over" and not a "matter of FTB policy." The December 7th meeting is a policy meeting, and only legislators can change laws.

I argued with her that the FTB has not provided any proof that holding money in suspense is required by law, so it was therefore a policy. As I said below "However, the legislation that they have quoted to justify this practice, RTC 19304, talks about a scholarship fund and makes no mention of 540 Line Item 95. So, clearly, the FTB is bold-faced lying when they say it is "required."

I am paraphrasing what Lilah said, but it was something to the effect of "Oh, yeah, your file does say you were quoted the wrong code. Must have been a typo! The correct code is R&TC 19307. That is the code that says it is required by law to hold money in suspense."

I just looked up R&TC 19307. It says: Section 19307. (Added by Stats. 1993, Ch. 31, Sec. 26.)
Cite as: Cal. Rev. & Tax. Code §19307.

For purposes of Section 19306, a return filed within four years from the last day prescribed for filing the return showing a credit allowable by Section 19002 or estimated tax paid pursuant to Section 19023, 19024, or 19136 in excess of the tax due, shall be considered a claim for refund of the excess if the amount thereof is more than one dollar (\$1). No refund of tax withheld or estimated tax paid shall be allowed to an employee or taxpayer who fails to file a return for the taxable year in respect of which the tax withheld or estimated tax was allowable as a credit.

This code says nothing whatsoever about holding rollover money in suspense. As far as I am concerned, you have once again definitively proved that holding money in suspense is indeed a policy, not a law. As such, it needs to be addressed in this meeting.

As you can imagine, I am incredibly frustrated with the games the FTB is playing. It took the FTB five full years to explain the suspense policy to me in the first place. For five years, I had no idea what the heck was happening with my money. And believe me, I asked EVERYONE I talked to. As soon as the suspense policy was explained to me, a little over a year ago, I asked for the tax code and no one would give it to me. I started getting really demanding and aggressive with every person that I talked to. Since being so demanding, I have been given an assortment of random codes — like the one above — but have yet to get an appropriate code.

Either this practice is required by law or it's not. And the more of these "Oops, we gave you the wrong code" games that you play, the more clear it is that the FTB is straight up lying when they claim it is required by law.

Please address the issue of putting rollover money in suspense instead of applying it to the taxpayer's estimated taxes as per Line Item 95 at the December 7 meeting. Refusing to address it violates my taxpayers rights.

Regards,

Christine Grab

Begin forwarded message:

From: Christi Grab <[REDACTED]>
Subject: For the Bill of Rights Meeting on December 7
Date: November 20, 2017 at 11:19:35 AM PST
To: FTBAdvocate@ftb.ca. ov
Cc: [REDACTED]

Christine Grab

November 20, 2017

Susan Maples
Taxpayer Advocate Services
FTBAdvocate@ftb.gov

Dear Ms. Maples:

I am writing to request a FTB policy change. Line 95 of the California 540 says "Amount you want applied to (next year's) estimated taxes." However, the FTB does not actually apply the money to the estimated taxes as indicated. Instead, they put the money in "suspense." The money is not taken out of "suspense" until that year's return has been filed. If someone files late, the FTB pretends as if there was no money collected.

In addition to fees and penalties, the FTB also aggressively tries to collect what they claim to be taxes due based on their estimates. It doesn't matter if there is more money sitting in suspense than the FTB claims is owed. They still harass the hell out of you -- and even go so far as to file wage garnishments -- **to collect money that they know -- by their own records -- is not actually owed.**

I have tried repeatedly to bring attention to this matter. Here are some excerpts of letters that I have sent in the past:

In my 2011 abatement request letter, dated August 11, 2014, I wrote: "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!!!!"

On January 19, 2016, I mailed a letter containing the following excerpt: "Enclosed is a check for [REDACTED] for my 2013 income tax assessment. I am paying this amount of money under protest. As several people within your organization have confirmed, according to your own records, my husband and I had a large sum of money roll over from our 2012 return to our 2013 return. The sum of money that you are holding for us is significantly larger than the [REDACTED] that you claimed that I owed for the year, and is even larger than the [REDACTED] that you now think I owe with penalties and interest. In all scenarios, you should be sending me a refund. I should not be the one sending you any money.

'The fact that you are shaking me down for money when you know -- per your own records -- that I AM DUE A REFUND AND DON'T OWE ANYTHING AT ALL for 2013 makes you the mafia. And it is unconstitutional for you to make me pay penalties and interest on money that I'd paid you a year before it was due!!!!!!'

In November 2016, I sent the following letter to all of my legislators: "In October, I sent you a letter requesting two things. The first was to change the Franchise Tax Board's policy of not applying money that rolls over from one tax year to another when estimating the amount of taxes due. The second was to get help in getting the Franchise Tax Board to stop harassing me for money due when they have already collected tens of thousands more money than they believe we actually owe.'

'I had enclosed a copy of our 2013 California Tax Return showing that we had [REDACTED] roll over from 2013 to 2014, along with a notice from the FTB for my husband showing that he, according to their records, had paid [REDACTED] from payroll taxes and owed an additional [REDACTED] which is certainly much less than the [REDACTED] that they already have in hand.'

'Enclosed is a copy of my 2014 estimated tax due notice that the FTB recently sent me. Even though I have not held a job since April 2007, the FTB is convinced that I worked and owe [REDACTED] in taxes. [REDACTED] The FTB has in their possession [REDACTED] more than they believe we owe. Yet, they expect me to mail them a check for [REDACTED] for me and my husband to cover the taxes, interest and penalties on the money that THEY ALREADY HAVE. If I don't send them almost [REDACTED] in cash they will levy bank accounts or file wage garnishments.'

'I have been giving in to their extortion for years now, which is why we have so much built up, and quite frankly, I am tired of it. I would appreciate it if you would intervene on our behalf and say 'OK, you have enough extra money from them already. Leave them alone! They don't need to send you an extra [REDACTED] more!!!!'

'I am really tired of the harassment from the FTB. If we actually owed any money, I would understand why we were being harassed, but as you can see, this harassment is totally unwarranted. Being as the state is in a deficit, they should be grateful for a free loan!'

When I have asked for justification of such a ludicrous policy, The FTB claims that holding money in suspense is "required by law." However, the legislation that they have quoted to justify this practice, RTC 19304, talks about a scholarship fund and makes no mention of 540 Line Item 95. So, clearly, the FTB is bold-faced lying when they say it is "required." Even if it turns out this ploy is not illegal, it is most certainly immoral to harass people for money that they know is not owed.

I could easily write a ten page letter explaining the adverse impact this policy has had on my life and my family's. My health was very fragile -- I was literally on the verge of kidney failure and close to death's door -- and we were mired in medical bills. I believed that I can prove via blood work that FTB's unfair harassment negatively impacted my health. The months I was harassed, my health deteriorated, the months I wasn't harassed, it improved.

Please end the policy of putting money in "suspense" immediately. This policy literally ruins people's lives for no reason whatsoever.

Regards,

