

State of California

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Legislative Change No.**00-14**Bill Number: AB 463Author: MaldonadoChapter Number: 00-183

Laws Affecting Franchise Tax Board:

Section 19104 of the Revenue and Taxation Code.Date Filed with the Secretary of the State: July 24, 2000

SUBJECT: Requests for Abatements of Interest/Appeals to Board of Equalization/Deficiency Assessments/Statute of Limitation

Assembly Bill 463 (Maldonado), as enacted on July 24, 2000, made the following changes to California law:

Section 19104 of the Revenue and Taxation Code is amended.

Under this act:

- ?? A taxpayer that is protesting a proposed deficiency assessment is allowed, at the taxpayer's discretion, to include in the protest a request for abatement of certain related interest;
- ?? The taxpayer is required to request abatement of interest with an appeal of the underlying proposed deficiency assessment. The taxpayer may not make a separate request for abatement of interest or appeal a denial thereof;
- ?? If the taxpayer does not protest or appeal an adverse action by the Franchise Tax Board (FTB) on the underlying proposed deficiency assessment and is only:
 1. appealing FTB's adverse action on a request to abate that interest; or
 2. requesting an abatement of the interest that accrued between the time the deficiency assessment was final and FTB issued its notice of tax due,then the time for filing an appeal to the Board of Equalization (BOE) is reduced from the present 180 days to 30 and 90 days, depending upon whether the request for interest abatement is related to unpaid or paid interest; and
- ?? If the taxpayer does not protest or appeal the underlying proposed deficiency assessment and FTB does not respond to the taxpayer's request for abatement of certain interest within six months, taxpayers are allowed to treat a request for abatement of interest as denied. In that case, the taxpayer would file an appeal within the above time frames.

This act is operative for requests for abatement of interest and appeals made on or after January 1, 2001.

This act will not require any reports by the department to the Legislature.

Bureau Director

Johnnie Lou Rosas

Date

August 9, 2000