

**State of California**

Franchise Tax Board-Legislative Services Bureau  
PO Box 1468 MS A350  
Sacramento, CA 95812-1468

Telephone: (916) 845-4326  
ATSS: (916) 468-4326  
FAX: (916) 845-5472

<b>Legislative Change No.</b>	<b>08-05</b>
Bill Number: <u>AB 2249</u>	Author: <u>Niello</u> Chapter Number: <u>08-234</u>
Laws Affecting Franchise Tax Board:	<u>Sections 7480 of the Government Code</u> <u>Sections 19368 and 19411 of the Revenue and Taxation Code</u>
Date Filed with the Secretary of State:	<u>August 1, 2008</u>

**SUBJECT:** Direct Deposit Refund Errors

**Assembly Bill 2249 (Niello), as enacted on August 1, 2008, made the following changes to laws impacting the Franchise Tax Board:**

Section 7480 of the Government Code is amended.

This act requires financial institutions to provide certain information upon request when a county adult protective services officer or long term care ombudsman is investigating the financial abuse of an elder or dependent adult. This act also requires financial institutions to provide the Franchise Tax Board (FTB) limited account information when FTB certifies that a taxpayer initiated a direct deposit of their state tax refund using incorrect financial account or routing information, and the taxpayer has not received the refund.

Section 19368 of the Revenue and Taxation Code is amended.

This act allows FTB to use existing erroneous refund procedures to recover a misdirected refund in specified circumstances. The taxpayer with the misdirected refund would be required to complete an affidavit, and upon notice and demand to the recipient of the misdirected amount, FTB would credit the misdirected refund to its owner. This act is applicable to misdirected refunds deposited on or after January 1, 2009.

Section 19411 of the Revenue and Taxation Code is amended.

This act allows FTB to recover any refund or credit that is erroneously made or allowed, including where the taxpayer or related party caused the erroneous refund.

This act is effective on January 1, 2009, and except as otherwise provided, operative as of that date.

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

Assistant Bureau Director Patrice Gau-Johnson	Date 8/12/08
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