

Sample Letter



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX XXX
SACRAMENTO, CA XXXXX

TAX LIABILITY DISCREPANCY LETTER

Date:
Account No: XXXXXXXX

JANE DOE
23 YOUR STREET
SAN FRANCISCO, CA 94109

We reviewed your state income tax return for the year(s) shown below. We are contacting you because we have information indicating you may have understated your tax liability. Information available to us indicated that you should have reported alimony income as follows:

Tax Year(s):

Issues: **ALIMONY INCOME**

To resolve this matter as efficiently as possible, please choose one of the options outlined below. If you agree that your alimony income was understated, choose Option 1. You may file an amended return to correct your filing. Or, you may request that we calculate your revised tax liability. If you believe your original alimony income was reported correctly, choose Option 2, and we will conduct an examination and provide you with an opportunity to present information to support your position.

(Please mark the box next to your chosen option and attach a copy of this letter to the front of your response.)

- Option 1: I will amend the appropriate California Tax Return(s) and include the additional tax, interest, and applicable penalties for each tax year(s) in question within 30 days.
 - You may be subject to the Accuracy-Related Penalty at 20 percent of the underpayment of tax (CR&TC Section 19164). Please refer to FAQ 12 for relief provisions that may avoid assessment of the penalty. If you believe that you qualify for one of the relief provisions to waive the penalty, please state in **writing** which relief provision you qualify for and why.
 - Disregard the enclosed Questionnaire.

- Option 2: I disagree with revised alimony income and request an examination.
 - Please fill out the enclosed Questionnaire and return to this office by Date:
 - Please send the following requested documentation to this office by Date:
 - 1) A schedule of separate maintenance or alimony payments received during tax year(s) xxx-xxx.
 - 2) Copies of bank statements cancelled checks or other documentation substantiating the amounts received.
 - 3) A complete copy of the decree of divorce or separate maintenance, written separation agreement, decree for support, or any other written agreement involving alimony received.
 - 4) Copies of any amendments or subsequent agreements, if applicable.

Taxpayer's signature

Date

Please forward your response on or before the corresponding due dates to the following address:

STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX XXX
SACRAMENTO CA XXXXX

If you have any questions regarding this matter, please call me at XXX.xxx.xxxx. Thank you for your cooperation.

Tax Auditor
Telephone: XXX.xxx.xxxx
Fax: XXX.xxx.xxxx

Enclosures: