



Tax News

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Table of Contents

Table of Contents	1
Tax News says goodbye to our longtime Editor	2
A reminder to verify your client’s mailing address.....	2
Franchise Tax Board warns taxpayers about scams in “Taxpayer Beware” Podcast	2
Form 1099G for Unemployment Compensation - Information and Resources.....	3
Ask the Advocate.....	4
Will California conform to the Paycheck Protection Program?	4
FTB’s Website has tools to assist you.....	5
AB 2660 estimated tax payment information	5
Golden State Stimulus	6
Event Calendar	7

Tax News says goodbye to our longtime Editor

Elinor Bickell, FTB's longtime Tax News Editor, is moving to a new position within FTB. Elinor has been the Tax News Editor for over 12 years now and the entire Tax News Staff wishes her much success in her new role as an Information Technology Specialist.

Elinor accomplished many things with Tax News by focusing on the wants and needs of the tax professional community. She built relationships with internal business areas, IRS and our sister state taxing agencies, and external stakeholders. Elinor developed innovative ways to reach our tax professionals through new mediums such as Tax News "Flashes," social networks, and short informational videos. During her tenure, Tax News subscribership increased from 8,000 to 36,000 tax professionals, received internal accomplishment awards, and gained external recognition.

Elinor's shoes will be difficult to fill. Thank you Elinor for a job well done!

A reminder to verify your client's mailing address

The 2021 Filing Season will once again be "virtual" for many taxpayers and their tax professionals. In the past, this was usually the one time each year you met in person with many of your clients and were able to learn of any changes in their lives, including whether they had moved in the past year. Now, many appointments will be conducted virtually, with documents being sent via email or uploaded through a website.

Even though you may not be sitting across a desk or table from your clients, it's still a good idea to ask the simple question: is this still your current mailing address? Many people have relocated since the pandemic began and it's important to verify and update every clients' contact information before filing their 2020 income tax returns.

FTB receives a large volume of returned mail every year due to returns being filed with an inaccurate or non-current address. Being able to reach your clients as soon as possible can speed up the processing of some refunds and reduce the possibility of unnecessary notices and billing that may result when an incorrect filing address is used.

While most taxpayers now receive direct deposit refunds, there are still times when a refund check is sent to a non-current address simply because the taxpayer failed to let their tax preparer or FTB know that they have moved.

Franchise Tax Board warns taxpayers about scams in "Taxpayer Beware" Podcast

The Franchise Tax Board once again joins the California Tax Education Council (CTEC) in its new podcast, "Taxpayer Beware" to provide more tax time tips. CTEC created the podcast to help educate taxpayers about how to find a California approved tax professional and avoid fraud.

The two part episode titled, “How to spot tax scams and avoid fraud” warns about new scams to watch out for during the 2021 tax season, as well as testimonials from FTB's Compliance and Discovery Section for CTEC, which pays visits to questionable tax preparation offices statewide.

“Many times the victims of these scams are completely unaware their information has been stolen until they file or find out their refund was stolen,” said Elias Dominguez, FTB Public Affairs. “Refund fraud gets complicated for FTB to figure out and creates delays in processing your tax return.”

To hear episode two of “How to Spot Tax Scams and Avoid Fraud,” as well as other episodes on the podcast, visit taxpayerbeware.org.

Form 1099G for Unemployment Compensation - Information and Resources

This week, the California Employment Development Department (EDD) released new information and resources to help individuals who received a Form 1099G for unemployment compensation. These payments must be reported on your state and federal tax returns but are not taxable for California state income tax purposes.

Are you a victim of fraud?

Individuals who receive a Form 1099G but did not file a claim for benefits and think that someone filed a claim using their name, address, or Social Security number are encouraged to notify the EDD through [Ask EDD](#) by selecting the **Form 1099G** category. Visit [Help Fight Fraud](#) to learn more about how to identify, report, and prevent identity theft.

Once fraud has been verified, the EDD will issue a corrected Form 1099G.

Resources

The new [Form 1099G information center](#) provides information about the Form 1099G and how to request a copy if needed. Other materials include:

- [Answers to frequently asked questions](#)
- A video about [How to Access Tax Information using UI Online \(YouTube\)](#)
- A [printable one-page guide \(PDF\)](#) to use as a helpful handout

A designated helpline is also available during regular business hours at **1-866-401-2849** for individuals who do not agree with the information on their Form 1099G or believe they have been the victim of fraud.

Read the full [press release \(PDF\)](#) for more details.

Ask the Advocate

FTB Welcomes a New Taxpayers' Rights Advocate



Brenda Voet, EA.
Taxpayers' Rights Advocate.
Follow me on Twitter at
twitter.com/FTBAdvocate

Brenda Voet, EA, a longtime member of the FTB family, was appointed as the new Taxpayers' Rights Advocate effective March 1, 2021.

Brenda has been with the Franchise Tax Board for more than 30 years, working most recently in the Audit Division as the Program Manager for the Partnership, Limited Liability Company (LLC), and Estates and Trusts workloads.

Brenda may be familiar to many in the Tax Practitioner Community, having spent five years as the Technical Assistant to the Taxpayers' Rights Advocate. She successfully resolved hundreds of taxpayers' state tax issues and ensured taxpayers were given proper protection under the Taxpayers' Bill of Rights. Brenda conducted hundreds of presentations throughout the state, educating taxpayers about the different forms of ownership, and explaining the Department's most

complex practices, policies, legal opinions and decisions to small business owners, and national and California tax practitioner organizations.

Brenda also brings to her new position the experience she gained from almost two years in FTB's Public Affairs Office where she responded to national and California press. She participated in radio and television news as well as in community programs on behalf of the department.

In addition to being an enrolled agent, Brenda has a Bachelor of Science Degree in Business Administration with an emphasis in Accounting and MIS from California State University, Sacramento and a Master of Science Degree in Taxation from California State University, Hayward (now East Bay). She is also graduate of FTB's Executive Assessment and Development program. Brenda will be a great asset to taxpayers, tax representatives, and FTB as the Taxpayers' Rights Advocate. We want to extend a warm welcome to Brenda and wish her much success as the new Taxpayers' Rights Advocate.

Will California conform to the Paycheck Protection Program?

We are receiving questions about whether or not California will conform to federal rules with respect to the Paycheck Protection Program or PPP that was passed under the CARES Act. In the February 2021 edition of Tax News, we published an article, [What's new for filing 2020 tax returns](#), where we explained California treatment of PPP loan forgiveness. While income from PPP loan forgiveness is excluded for California purposes, any credit or deduction allowed for any amount paid or incurred should be reduced by the amount of the exclusion allowed under the PPP.

We are following the California Legislature and several bills have been introduced. If any become law, we will let you know through our various communication channels. You can follow various bills of the California Legislature at <https://leginfo.legislature.ca.gov/>.

If there are any changes in California law related to the PPP, we will let you know in a future edition of Tax News.

FTB's Website has tools to assist you

In an effort to save you time, we have compiled a series of links to information that may be helpful to you as we approach the initial filing deadline. While ftb.ca.gov has a significant amount of information, you may be searching for one of our more frequently used tools.

[Wait times](#) – This dashboard provides current wait times for our contact centers including the Tax Practitioner Hotline and MyFTB Secure Chat.

[Chat](#) – Use MyFTB to securely chat with us about your client's account. However, if you don't have MyFTB, we can still help you on general chat with our forms, website, and non-confidential tax questions.

[Electronic Payments](#) or Web Pay – available for individual and business entity payments. Web Pay is easy, fast and free and fulfills the requirement if your client is subject to [mandatory e-pay](#).

[California Tax Forms and Related Federal Forms \(FTB Pub 1006\)](#) - Provides:

- A list of FTB forms and schedules and their federal counterparts
- The ability to cross-reference forms starting with either a California or federal form/schedule number
- Whether a federal form may be used for California purposes
- Forms used by individuals and business entities

[Information Directory \(FTB 1240\)](#) – Provides general and direct contact numbers for specialists who can help you, including several dedicated telephone lines for specialty assistance such as the lien desk, FTB's Offer in Compromise group, and Withholding Services, just to name a few. Please note that specialty areas cannot provide general assistance or account information unrelated to their core function(s).

AB 2660 estimated tax payment information

For taxable years beginning on or after January 1, 2021, and until January 1, 2026, nonresident aliens receiving California source income may elect to be included on a group nonresident return filed by an authorized representative, in lieu of filing an individual nonresident return. The tax rate or rates applicable to an electing nonresident's taxable income for services performed in this state would consist of the highest marginal rate, plus, if applicable to the electing nonresident, the additional mental health services tax, and no deductions or credits

would be allowed. Any authorized entity filing the group return on behalf of electing nonresident aliens would act as their agent and the entity would make all tax payments, additions to tax, interest, and applicable penalties otherwise required to be paid by the electing nonresident alien.

Any nonresident alien who is not eligible for or has not been issued a federal social security number (SSN) or a federal individual taxpayer identification number (ITIN) may be included on the group nonresident return. If a nonresident alien subsequently becomes eligible for and is issued an SSN or ITIN, the Franchise Tax Board may require the nonresident alien to provide a letter or other form documenting the nonresident alien's SSN or ITIN.

The 2021 Schedule 1067A, *Nonresident Group Return Schedule* will be updated to allow electing nonresident aliens who do not have an SSN or ITIN to be included in a group nonresident return. As a result of the administrative burden in processing estimated tax payments for electing nonresident aliens, the Franchise Tax Board will not require estimated tax payments to be made for electing nonresident aliens included on a nonresident group return for the 2021 tax year. Payment for the total tax liability for all electing nonresident aliens included on the group nonresident return should be attached to a timely filed nonresident group return, along with any other applicable forms and schedules.

To include a nonresident alien who is not eligible for or has not been issued a federal SSN or ITIN in the group nonresident return:

- Complete the group nonresident return
- Complete and attach Schedule 1067A to the group nonresident return
- Attach the total tax liability payment at time of filing the group nonresident return
- Attach all other applicable forms and schedules to filing the group nonresident return

For additional information, see the 2021 Schedule 1067A or the 2021 group nonresident return, that are expected to be available in December of 2021.

Golden State Stimulus

You may have heard about Golden State Stimulus payments that are available to certain low-income Californians. This COVID-19 relief was enacted when Governor Newsom signed [Senate Bill 88](#).

California will provide the Golden Status Stimulus payment to those who qualify. This is a one-time \$600 or \$1,200 payment. Recipients may receive this payment if they receive the [California Earned Income Tax Credit \(CalEITC\)](#) or file with an Individual Taxpayer Identification Number (ITIN).

A few important items of note about this one-time payment:

- It will not delay the processing of tax returns and refunds.

- It is a separate payment (not included with a tax refund) that will be provided once the processing of the tax return is complete.
- The payment will be provided in the same manner as the taxpayer requested their tax refund, excluding if your client requested an advance refund from you as their tax service provider.
- It will not be offset by other liabilities nor will it be levied.

If you have clients that qualify for EITC or will be filing an income tax return using an ITIN and earn \$75,000 or less, they may be eligible. For more information go to [Golden State Stimulus](#) on our website.

Event Calendar

As part of education and outreach to our tax professional community, we participate in many different presentations and fairs. We provide a [calendar](#) that shows the events we attend, as well as other events happening with us, such as interested party and board meetings.