

18000 AUDIT TOOLS

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18010 TELEPHONE CALLS

Auditors are required to answer telephone calls. The calls may be either a general question concerning the application of the California Revenue and Taxation Code or inquiries concerning a problem involving a specific taxpayer. **NOTE: WE DO NOT ACCEPT COLLECT CALLS.**

In the case of general questions, the auditor will normally be able to answer the question that is being asked; however, if not certain of the correct answer, refer the call to the appropriate unit.

If the caller's question cannot be referred to a specific unit, refer the call to your lead or supervisor, or obtain the caller's telephone number and call back with the answer.

In the case of inquiries involving an audit problem with respect to a specific taxpayer, it is seldom possible to give an adequate answer without first reviewing the taxpayer's file to determine the particular data that has been requested. Obtain the caller's telephone number and tell the caller that you will review the case and call them back. When discussing a case under audit, an Audit Public Contact Memo must be recorded showing the caller's name, telephone number, the exact corporate name, the corporate number (if known), and a brief summary of the information that is requested or discussed.

If the corporation has been suspended and the question involves the payment of back taxes in order to revive the corporation, the call should be transferred to or referred to the Revivor Unit.

Requests for information concerning the taxpayer address, the names and addresses of any of the corporate officers or similar information may be referred to Data Services.

For information on what can be disclosed during a telephone conversation, see **MAPM 2020**.

18020 FACSIMILE USAGE (FAX)

The auditor may receive a FAX by two methods: as an Email FAX message via the PASS server or on the unit's FAX machine.

The PASS desktop provides the ability to electronically transmit documents between Audit staff and tax filers using a facsimile system (FAX) for the transmission and reception of document images. The PASS Desktop provides FAX capability in two ways 1) when working on a laptop, auditors are able to send faxes using Microsoft FAX; and 2) when connected to the PASS Desktop network, auditors are able to send/receive faxes using the PASS FAX server. Auditors are able to send faxes from Microsoft Word or Excel using the "Send" option and specifying a FAX number instead of a user as the destination.

State law protects confidential taxpayer information including, but not limited to, social security numbers, telephone numbers, credit card number. When sending correspondence by facsimile, use a cover sheet to protect this information.

Remember faxed or photocopies of waivers are evidence that a taxpayer agrees to extend the statute of limitations. However, unless the auditor receives the original document, a faxed copy is not accepted as anything other than evidence of intent.

FAXES RECEIVED OR SENT VIA UNIT'S FAX MACHINE

Hard copies of FAX material will be handled as regular correspondence.

The Auditor will record the correspondence as received in the "Received Correspondence Window" of PASS and cancel any ticklers, as applicable.

Select the attachment option to create a WORD document that will act as a placeholder in the electronic file for the paper correspondence. This WORD document may contain any information the auditor determines to be necessary, but at the minimum should include 1) the date the correspondence is received by FTB and 2) a description of the correspondence. (i.e. a five-page letter from representative or a two-page letter from taxpayer and the following attachments.)

NOTE: the event log will indicate the date the letter was recorded in PASS as received, not the actual date the auditor received the letter. Therefore, it is important that the auditor log correspondence as received in PASS as soon as the correspondence is received.

FAX SENT OR RECEIVED THROUGH PASS

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Auditors, who have access to PASS, have an internal Fax # (916) 843-XXXX in their personal computer. This Fax number should be used so faxed information sent and received will become a permanent document within the taxpayer's PASS audit file.

SENDING A FAX

To fax a document that is created outside of PASS:

1. Go into your MS Outlook and create a New Message. Click the "To" button and Click on the "New Button." Highlight the "Fax Address" button and enter the requested information (Name, Fax Number, Office, et.) You do not have to use a "9" to get an outside line when using the fax. Also, select the radio button for "this message only" unless you want to add this fax number to your personal address list.
2. Next, click the "To" button and this will take you back to the New Message. Create your fax as you would any other document. Click the Send button.

If your fax goes through correctly, you will receive a "thumbs up" confirmation from the recipient in MS Outlook. If your fax does not go through, you will also receive notification in MS Outlook.

RECEIVING FAXES VIA MS OUTLOOK

When receiving faxes, a "New Message" will appear in your MS Outlook inbox from "Faxination." Open this message and double click on the "picture" of the document. The document may be upside down and you will have to use the toolbar buttons with the opposing arrows to correct the angle.

The toolbar also allows you to shrink or enlarge the document, view the layout of each page (although very small), and turn from page to page.

These faxes should be input into the PASS file with the ***** feature.

Copy and paste the faxed document by double clicking on the first page of the fax, then select "Copy Page" from the edit menu. Print an actual copy of the FAX and place it in your hard copy workpaper file. Open your inventory and open the primary case unit. To paste the fax in

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PASS, use the button "Receive Correspondence," and click the "attach document" button. Select the Correspondence Received template. Name the document according to cross-referencing workpaper sections and click OK.

Paste the faxed document into the section <<Place bitmap correspondence here>>. Print the Word document template and place it on top of the printed copy of the FAX correspondence. Save and close the Word document and return to PASS. Complete the From, Subject and Comment fields and click "OK" to close the received correspondence window.

It is now all right to delete the MS Outlook FAX mail message.

NOTE: ((* * *)) = Indicates confidential and/or proprietary information that has been deleted.

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18025 POWER OF ATTORNEY

The disclosure of confidential information is authorized only to the taxpayer to whom the information pertains, and the taxpayer's authorized representative. The designation of a representative can be established through the execution of a Power of Attorney. The Power of Attorney – Form 3520 is the general form for obtaining powers of attorney for individuals, corporations, partnerships, LLCs and others. The Power of Attorney authorizes, subject to revocation, the taxpayer's representative to receive confidential information and to act on behalf of the taxpayer in tax matters.

For corporations, a principal officer of the corporation must sign the Power of Attorney. A principal officer is the president, vice-president, secretary, treasurer, and secretary-treasurer. A tax manager is not necessarily a principal officer, so it should be verified who is signing for the corporation. An individual who was a principal officer of the corporation for the tax years under examination, but who is not currently a principal officer may not sign the power of attorney.

The Power of Attorney (Power of Attorney) has been revised several times over the years. An older version of this form contains language that may cause confusion. Side 2 of the Power of Attorney – Form 3520 provides a place for the taxpayer to limit the time the POA remains in effect. Generally, if no time limit is indicated, the POA remains in effect until the taxpayer revokes it or until final resolution of all tax matters stated on the form. However, the 11/93 revision of the form also contained the following language in the time limit section: "If no time limit is specified, this Power of Attorney will be effective for one year from the signature date."

It is important to pay close attention to the language and version of any POA forms used in case files. The Problematic language appears to be only on the 11/03 version and was removed as of the 9/94 revision date. If the older version of the form was used in a file, verify the correct statute date and obtain another POA , if necessary.

Processing Procedures

As of August 1, 1999, the Franchise Tax Board established a centralized POA database and a POA Unit to handle all the processing and maintenance of POA documents. The unit acts as the department's primary point of contact for handling and tracking POA documents, and maintains paper copies of the documents for an appropriate retention period.

When reviewing a POA document, please keep in mind:

The Department's Taxpayer Signature and Authentication Policy does **NOT** require an original signature on the Power of Attorney if there is no reason to suspect that the form has been

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forged or is otherwise invalid (FTB Policy File 9140, October 1994.
<<http://ftbnet/policy/9140.htm>>).

The internet version of the Power of Attorney form (FTB 3520) shows the address of the Power of Attorney Unit. If your taxpayer or representative uses this form, remind them to send the Power of Attorney directly to you, instead of the address on the form. Do not forget to send a copy to the POA Unit within **24 hours** of receiving the POA.

1. Additional addresses for the POA Unit:

If you received a Power of Attorney through the network fax (Outlook), you can forward this directly to the POA Unit using this email address: "**POAFX**".

POA Unit's network fax: **(916) 845-9511**.

- o Do not forget to include your contact information in case the POA Unit needs to reach you.

If the POA form is received via the Post Office boxes that are routed through Receiving, they will be date stamped with the received date and forwarded to the POA Unit on daily basis.

Note: Receiving does not make copies of the POA .

The POA Unit will key the information to the database within five working days. Faxed POA forms will be keyed within 24 hours.

Anytime an auditor receives a signed POA, they should forward a copy to the POA Unit at MS C-2 or FAX a copy to (916) 845-0523. The copy should be sent WITHIN 24 hours of receipt. The original should be retained for the audit file.

If you receive a POA form directly from a taxpayer or their representative, follow the procedures listed below:

IF	AND	THEN
Power of Attorney received is COMPLETE It must include: <ul style="list-style-type: none"> • authorization for use by FTB, • specific tax years, • representative acts authorized, and 	Form is Acceptable: <ul style="list-style-type: none"> • FTB POA Form 3520 • BOE POA Form 392 • IRS POA Form 2848 • Durable POA • Handwritten POA 	<ul style="list-style-type: none"> • Write or stamp the received date on the POA • Route a copy to POA Unit - (MS C-2) Or FAX to (916) 845-

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<ul style="list-style-type: none"> taxpayer signature. 	<ul style="list-style-type: none"> Correspondence 	<p align="center">9511</p> <p>Note: Retain the original POA, photocopy the POA and mark as "Copy".</p>
<p>Power of Attorney received is INCOMPLETE The missing information must be obtained from the taxpayer before the Power of Attorney can be effective.</p>	<ul style="list-style-type: none"> Taxpayer signature is missing, Specific tax years are missing, Representative "Acts Authorized" are missing. 	<p>Once complete:</p> <ul style="list-style-type: none"> Note corrected information on POA form in GREEN and initial in top right corner Route to POA Unit with "RUSH" handling - <u>MS C-2</u> or fax document to POA Unit at ext. 0523 with cover note. <p>POA unit will enter the POA into the database.</p>
<p>Requesting Original POA Document</p>		<p>Contact the POA Unit.</p>

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18030 TAXPAYER REQUESTS COPY OF CORPORATION RETURN

Taxpayer Requests Copy Of Corporation Return

Effective July 1, 2003, the Franchise Tax Board raised the fee it charges for providing copies of business entities income tax returns. The fee is to cover our costs of handling requests, copying documents, and postage. (R&TC Section 19561.) The new fee for business entities is a flat \$20 per tax return. The new fee is based on the average actual cost of providing this service to taxpayers.

To obtain a copy of a tax return, the taxpayer must:

- Submit a Request for Copy of Tax Return form (FTB 3516). This form is available on our Website at: www.ftb.ca.gov. If the auditor receives a request for a copy of a tax return under audit, the auditor should:
 - Send the fee and the form FTB 3516 to RID Unit Corp MS C-2.
 - Make a copy of the return and provide it to the taxpayer.
- Submit a fee of \$20 for each tax return being requested. We will no longer waive the fee for tax returns requested during or after an audit. The only exception for waiving the fee is if the taxpayer is a victim of a designated California State or Federal disaster.

The mailing address for requesting business entity return copies is:

RID Unit Corp MS C-2
Franchise Tax Board
PO Box 1468
Sacramento CA 95812-1468

Requests for copies of audit reports should be referred to the Disclosure Office. See MAPM 2030.

18040 TAXES ADMINISTERED - FRANCHISE TAX – NON-QUALIFIED CORPORATIONS

Corporations which are "doing business" in California and are not incorporated in the state or are not qualified by the Secretary of State are subject to the Franchise Tax. These corporations are identified as "NQFT." These corporations file returns on a voluntary basis and the Business Entity Section, Inventory Control Unit, assigns them a 95 identification number.

Corporations which are not incorporated in California and are not "doing business" in California, but are deriving income from California sources are identified as "NQIT." These corporations file returns on a voluntary basis and the Business Entity Section, Inventory Control Unit, assigns them a 97 identification number.

18050 CORPORATION IDENTIFICATION NUMBER

The 90, 91, 92, 93, or 94 identification numbers assigned by the filing enforcement program do not signify whether a corporation is doing business or deriving income in California. The corporation will be classified as an NQFT or NQIT. The filing enforcement number is not changed unless the corporation is later qualified by the Secretary of State. The corporate number remains unchanged in order to identify the corporation as being part of the filing enforcement program. If it is determined that the corporation is doing business in California, the commencing tax should be assessed without changing the identification number and the classification should be NQFT. These cases may be referred to the filing enforcement auditor or may be examined upon a general audit of the return.

For information on Non-Qualified Corporations, see MAPM 18040.

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18060 COMMON FTB ADDRESSES

General Use:

ATTN 347:1¹:2²
STATE OF CALIFORNIA
FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267

Protests:

FRANCHISE TAX BOARD
PROTEST SECTION
PO BOX 942857 MS D-12
SACRAMENTO CA 94257-5540

ADDRESS FOR EXPRESS MAIL:

ATTN 347:1¹:2²
Franchise Tax Board
SACRAMENTO CA 95827

MAIL PAYMENTS:

FRANCHISE TAX BOARD
PO BOX 942857
SACRAMENTO CA 94257-0041

- 1: Status of case as HW, TC or RTF
- 2: Auditor's initials

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18070 EXPRESS MAIL

Express mail includes mail delivered by Express Mail - U.S. Postal Service, Federal Express, UPS, etc. Such mail can only be delivered to a physical address and not a post office box number. If at Central Office, the express clerk in receiving will contact the auditor when the auditor receives some type of express mail from a taxpayer or tax representative. This is only true if the taxpayer clearly identified the auditor and the auditor's unit as the recipient.

To ensure that mail is received in a timely manner, request that the taxpayer include the following on the face of the express mail envelope:

- Address
- Mail Stop
- Auditor's name
- Unit number
- Telephone number

At Central Office, the express mail desk is located downstairs, Phase I, coordinates J-4. * * * *
* * * * * * * * * * * * * * * *

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18080 RESEARCH PROCEDURES

The auditor must attempt to resolve issues before they reach the protest level. Audit recommendations must conform to established laws and legal interpretations. The following is a procedure for meeting the research requirements that may vary depending on the audit:

1. Identify potential issues early in the examination of the return. Review prior year audit files or tax returns to identify issues not reported on current return. Obtain prior cycle business knowledge from the previous auditor.
2. Make sure you gain an overview of the subject and understand what facts or documents will be needed to resolve the issues. Do this by referring to MATM and the Guidebook to California Taxes or CCH, or other sources. Lexis/Nexis may help with background information and current legal developments. Consult with other staff who have dealt with this issue if possible.
3. Get the facts by examining relevant documents, asking questions, and obtaining information. The facts must be written down to provide an audit trail and a basis for your decision. Issue written Information Document Requests (IDRs), utilizing a single question IDR format, or where appropriate, a single issue format. Relevant documents must be copied and included with your report and referenced in a manner that will permit their later retrieval.
4. For issues dealing with California Law, read the law and any applicable regulations. Where California Law is substantially the same as Federal, use the Federal Tax Reporter or any on-line service to gain an understanding of the Federal Law.
5. Follow-up on material read. List particular rulings and cases, which from their summaries are relevant.
6. Keep a record of all research and inquiries whether they were successful or not.
7. Not every case will be relevant to your issue. Learn to skim the cases. Read the headnote, then skip to the opinion. Usually the opinion will summarize the facts and reveal whether the case is relevant.
8. When you find a case that pertains to the issue, study the facts in detail. Do not rely on headnotes and editorial abstracts.
9. Sometimes you must evaluate conflicting cases. A more current case carries more weight since presumably the court will have considered the previous decisions. Sometimes a theory or concept is developed, expanded or limited over the years by many court decisions.

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10. Determine how the issue should be resolved. At this point, review what you have done to determine if:
 - a. The facts obtained pertain to the issue.
 - b. There are other alternative courses of action.
 - c. Additional facts or additional audit activity is required.
11. Discuss your determination with the representative. Whenever possible, have the taxpayer and/or representative cite cases that support their position. Sometimes cases both support and disagree with their position. Inform the representative that you have considered all the relevant cases.
12. Consider other sources, technical manuals, etc. – do not quote manuals as support for an adjustment.
13. Decide how you will handle the issue. Discuss your decision with the representative. If there are multiple issues being examined, prepare an AIPS for each material adjusted issue and present each AIPS to the representative as each issue is resolved. At the end of the audit, inform the representative of audit's recommendations in a closing letter and obtain their final position, in writing if possible.

18090 OUTSEARCH

If you cannot locate the return from the "CHARGED TO" information on FTB 6237, wait 30 days and request again. If you still get the same "CHARGED TO" information, you may have the return outsearched. To outsearch, DSS staff actually looks through stacks of returns located in various units and otherwise use detective work to locate the return.

TO REQUEST AN OUTSEARCH:

1. Write "OUTSEARCH" bold RED letters on the FTB 6237 with the "charged to" information on it. Include information regarding who you talked to in trying to locate the return(s).
2. Your supervisor approves and signs the request.
3. Send to DSS.

18100 RESEARCH AND REFERENCE GUIDE

The official way to cite any section in Part 10 (PIT), Part 10.2 (Administrative), Part 10.5 (Senior Citizens Property Tax Assistance), Part 10.7 (TBOR) or Part 11 (Corp) is Revenue and Taxation Code or Rev. & Tax. Code (Per the California Style Manual used for California Courts and Lawyers.

Informally (which applies to most of our work), anything in Part 11, Division 2, of the Revenue and Taxation Code (Section 23001 – 25141) can be cited as the Corporation Tax Law or CTL (see Section 23001). Before 1/1/2002, this part could be cited as the Bank and Corporation Tax Law or BCTL.

With regards to the Administrative Code (part 10.2 – Sections 18401 –19802) of which penalties and statutes of limitation are part of, there is no special informal abbreviation. Therefore, any sections from this part of the code should be referenced as Rev. & Tax Code or RTC.

FRANCHISE TAX BOARD MATERIALS

- a. Legal Rulings, FTB Notices, Information Letters, Audit Program Reports and Chief Counsel Rulings.

These constitute the Audit Program Bureau's and Legal Division's interpretations. They can be generated internally or by a request from a representative. These may be cited to representatives except for APR's, which are in-house policies and may not be cited. The reasoning of the reports may be used to support your position.

- b. Board of Equalization Decisions

The Board of Equalization decisions are binding on the FTB. Taxpayers may pay the assessment and file a claim. On denial of the claim they may file in Superior Court.

Note: Mini decisions made by the State Board of Equalization are not citable.

- c. Superior Court, Court of Appeals, California Supreme Court

California Appellate Courts and California Supreme Court are citable as authority.

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- d. California Administrative Code (Regulations)

FEDERAL GOVERNMENT MATERIALS

The Internal Revenue Service has four interpretative announcements:

- a. Revenue Rulings are official interpretations of facts and how law will be applied to those facts.

IRS is bound by rulings but they do not have the authority of regulations. These can, however, be cited if the facts are the same.

- b. Revenue Procedures are administrative practices followed by the IRS. For example, procedure used in changing accounting method.
- c. Technical Information Releases (TIR) are not published but can be found in tax services. TIR's are usually after-the-fact rulings requested by the technical staff.
- d. Letter Rulings and Technical Advice Memos (TAM) are formal requests by the taxpayer, about specific tax consequences, before a transaction occurs.

FEDERAL COURT SYSTEM

- a. Lowest Level:

Tax Court
District Court
U. S. Claims Court (formerly Court of Claims)

All decisions are appealable to the next level. The Tax Court and U. S. Claims Court are national courts.

- b. Middle Level:

Court of Appeals
Court of Appeals for Federal Circuit (U. S. Claims Court)

All decisions are appealable to the Supreme Court; the Court of Appeals for the Federal Circuit hears appeals only from the U. S. Claims Court.

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c. Highest Level:

Supreme Court

Final appeals are usually granted when there is a conflict between two or more circuit courts of appeals. Denial of a hearing does not necessarily mean the court agrees with the lower courts.

CITATIONS

a. Federal

1. For Supreme Court Cases
 - (a) U.S. Reports (U.S.). Example: (1945) 326 U.S. 310
 - (b) U.S. Supreme Court reports, Lawyer's Edition (L. Ed.). Example: (1945) 326 U.S. 310, 66, S. Ct. 154, L. Ed. 95
 - (c) Supreme Court Reporter (S. Ct.). Example: see b. above
 - (d) Cumulative Bulletin (CB). Example: 1940-1 CB 158.
 - (e) Commerce Clearing House (CCH) will cite as USTC
 - (f) Prentice Hall (P-H) will cite as AFTR
2. District Court, Court of Appeals for the Federal Circuit:
 - (a) Federal Reporter (F). Example: (7th Cir. 1965) 354 F.2d 976.
Applicable for all years from 1879-1931
 - (b) Cases (Fed. Cas.). Applicable for years 1789-1879
Federal Supplement (Fed. Supp.) Example: (N.D. W.Va.1952) 104 F. Supp. 606
3. Revenue Rulings:
 - (a) In bound form: REV. RUL. 82-11 1982-1 CB 51 The eleventh ruling of 1982 can be found in 1982 Cumulative Bulletin in Volume One at page 51.
In unbound form: REV. RUL. 82011 1982 2 IRB 7 The eleventh ruling of 1982 can be found in the second Internal Revenue Bulletin issued in 1982 on page 7.
4. Revenue Procedures (Rev. Proc.)
5. Tax Court Memos:
Not officially published, published by CCH and P-H, just as authoritative as regular decisions. CCH cite: TCR: P-H cite: MEMO TC
6. Tax Court Cases:
 - (a) Published only by U.S. government Printing Office, cited as TC, if not yet in bound form, use decision number for example, TC #18.
 - (b) Board of Tax Appeals cited as BTA.
If Commissioner loses a Tax Court regular decision, he will acquiescence (a) or nonacquiescence (NA).

b. California

1. For California Supreme Court:
California Reports (Cal.)
California reporter (Cal. Rptr.)
Pacific Reporter (P.)
2. For Court of Appeals:
California Appellate Reports (Cal. App.)
California Reporter (Ca. Rptr.)
Pacific Reporter (P.)
3. Superior Court, Municipal Courts, Justice Courts; None
4. Board of Equalization Decisions: (SBE)
5. Legal Rulings: (LR)

c. Access

Most tax services include topical indexes, case tables or citators and regulations finding lists. These give cross-references to the paragraphs in the rest of the volumes called compilation volumes.

The compilation volumes on any particular subject will provide the law and regulation, an explanation, list any court cases or rulings and annotations. Annotations are several sentences serving as a synopsis of the cases or rulings. They are not to be used as authority. If the case or ruling appears to be relevant it should be read thoroughly. Cases cited by representatives should always be examined carefully. Sometimes the representative will misquote or misconstrue cases.

Most tax services also include a volume called New Matters or New Developments. It is always advisable to consult these for any developments on your topic.

d. Order of Citations:

As a case progresses through the various levels of courts, the citation is added to. The order is descending. (The latest decision first.) Example:

U.S. Supreme Court
United States Court of Appeals
U.S. District Court
State Court, etc.

e. Your Case Citation Should Always Contain

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Name
Volume Number
Title of Volume, i.e., TC, USTC, AFTR, etc.
Page
The Court
The Year

PUBLIC LIBRARIES

Public libraries carry a great deal of information that may aid you during a field audit. You may be able to find some of the following:

- a. Complete 10-K reports for publicly held companies. They may be on microfilm.
- b. Proxy statements, which list the various corporate committees, their members, and the number of times they met during the year.
- c. Various Periodicals:
 - (1) F & S Index of Corporations and Industries. Excellent reference to find articles about corporations.
 - (2) Wall Street Journal Index. Yearly index of articles about corporations listed by corporation name.
 - (3) Standard & Poors Register of Corporations, Directors and Executives. The three parts have lists of companies by industry, alphabetically, and alphabetic lists of officers and directors, respectively.
 - (4) Dun & Bradstreet Reference Book of Corporate Management. Lists companies alphabetically and the officers and directors of each.
 - (5) Standard & Poors Corporate Records. Yearly record of Financial Statements, and news of the corporations.
 - (6) Moody's Books
 - (7) Annual Reports of Corporations
 - (8) American Statistical Index. A guide and index to the statistical publications of the U.S. government.
- d. CCH State Tax Guide

Two-volume summary of all 50 states and all taxes that are applicable to each state.
- e. Federal Tax Coordinator

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28-volume set used by businesses to keep current on Federal tax matters.

- f. Federal Tax Reporter
- g. U.S. Tax Cases
- h. Commercial Laws of the World

This contains 27 volumes of commercial laws for every major country in the world. It is useful in preparing a worldwide combined report. For example, it gives rules for depreciation in Australia.

- i. Monatti Tax Atlas

This covers all phases of Federal Tax, individuals, partnerships and corporations.

- j. Check in the card catalog for other books of interest.

CALIFORNIA STATE LIBRARY

The California State Library in Sacramento is a valuable source of information on larger multistate corporations. The State Library has personnel available to perform detailed information searches for state staff at no charge.

If an auditor was researching a corporation in a city library and found a reference to an article that the library did not have, it is more than likely the State Library can obtain a copy of the article from its own reference material or from one of many libraries it has exchange agreements with.

An auditor can call the telephone number listed below and by giving the researcher as specific a request as possible, a synopsis of several articles on the subject can be obtained. The auditor then can determine which articles they need the full text of.

For information requests from computerized databases, the auditor should know the specific time frames the request will cover and have something besides the corporate name to key the request to. Having a major corporate name would cause a very expensive computer search of all articles containing the corporate name. If the auditor, for example, provided a division name along with the corporate name the search would be greatly narrowed and the articles would likely be more pertinent.

The State Library is divided into two sections with the following services available:

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a. Government Publications Section

1. How to Use Services

(a) By Mail:

Government Publications Section
California State Library
P O Box 2037
Sacramento CA 95809

(b) In Person:

California State Library
914 Capitol Mall
Room 400, 4th Floor
Sacramento, CA

(c) By Phone:

(916) 445-5156 or (ATSS) 485-5156

2. Information Available: SEC 10-K's, Annual Reports and Proxy Statements

b. State Information and Reference Center

1. How to Use Services

By Mail

State Information and Reference Center - same address as above

In Person

Gillis Hall, Room 309
Same address as above

By Phone

(916) 322-4570 or (ATSS) 492-4570

2. Information Available

Indexes to Periodicals, Newspapers, and Government Reports
Access to Major Computerized Data Bases. All field offices now have on-line access to LEXIS-NEXIS.

Lexis-Nexis: N.Y. Times from 1969, L.A. Times, and Wall Street Journal from 1975

Dialog: Time, Business Week, Fortune, Forbes, etc.

Others: Numerous other databases as explained in the LEXIS-NEXIS users manuals.

Efficient use of LEXIS-NEXIS may be more cost effective than lengthy library searches or trying to use the state library. * * * * *

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NOTE: ((* *)) = Indicates confidential and/or proprietary information that has been deleted.

The information provided in the Franchise Tax Board's internal procedure manuals does not reflect changes in law, regulations, notices, decisions, or administrative procedures that may have been adopted since the manual was last updated.