



chair **John Chiang**
member **Jerome E. Horton**
member **Ana J. Matosantos**

State of California
Franchise Tax Board

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Scarlett D. Vanyi, CAE
California Society of Enrolled Agents
3200 Ramos Circle
Sacramento, CA 95827-2513

Dear Ms. Vanyi,

Thank you for your proposals submitted for the Taxpayers' Bill of Rights Hearing as presented by Vicki Mulak. I am sending an updated response to the issue below.

Combining Secretary of State Statement of Information (SI) Filings with the FTB Return

Undertaking this proposal would involve significant system and process changes at both agencies. Some issues that would have to be considered include how to incorporate filing the SI into both the paper filing and e-filing income tax return processes; and determining which agency would review and validate the SI information. Existing statute currently requires the Secretary of State's Office (SOS) to fulfill certain notification and filing responsibilities related to SI filings, and the Franchise Tax Board with regard to the tax returns.

The Franchise Tax Board and the Secretary of State's office understand the importance and sensitivity of this matter within the taxpayer community. Currently, statements of information for corporations can be submitted online during the applicable filing period using a user-friendly Internet website at <https://businessfilings.sos.ca.gov/>. The SOS is in the processes of improving this application to provide the customer with an electronic copy of the corporation statement at the time of filing when it is filed online at no additional cost to the customer. The SOS has plans to provide similar online services for limited liability companies in the near future.

Though the CSEA raises a legitimate point with their request to consolidate the statement of information filing with the filing of the entity tax return, the efforts required for both the Franchise Tax Board and the Secretary of State's office would require extensive changes to existing law; however, the current financial situation within state government does not make it feasible to pursue this proposal at this time.

Sincerely,

Steve Sims, EA
Taxpayers' Rights Advocate

cc: Hon. John Chiang, Chair
Hon. Jerome E. Horton, Member
Hon. Ana J. Matosantos, Member