



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

State of California
Franchise Tax Board

05.23.2012

To: Members, California State Legislature
From: Selvi Stanislaus
Subject: Financial Institution Record Match

Memorandum

In June, the Franchise Tax Board (FTB) will leverage technology in new ways to use information from banks and other financial institutions to find assets and collect on delinquent debts from California taxpayers. Since you may receive constituent contacts, we want to be proactive in giving you details on this program so you can appropriately help them resolve their debts.

This program, the Financial Institution Record Match (FIRM), has already been implemented in several other states and was authorized for California through legislation in 2011 (SB 86). It creates a way to accelerate much needed revenue for the state by collecting on debts that contribute to the tax gap.

The FIRM record match beginning in Fiscal Year 12/13 will be an automated process that will allow FTB to identify assets and issue levies in greater numbers than in prior years. This next fiscal year, we expect to issue more than 475,000, an increase of approximately 75 percent over last year. Some of those impacted by these increased volumes may reside in your district.

Bank levies are preceded by several steps that provide due process and opportunities to enter into a voluntary payment arrangement. When those measures fail, involuntary actions such as bank levies become necessary.

FTB has taken proactive measures to prepare for the impacts of FIRM implementation. We are currently promoting self service options and engaging in outreach efforts to help taxpayers to avoid involuntary collection actions and promote greater long-term compliance. Some of these efforts include:

- Electronic Installment Agreements (payment plans) are available through the FTB website for taxpayers to resolve their account online.
- Interactive Voice Response (IVR) Installment Agreements are available via the telephone at the number listed on the levy notice. The IVR is available in Spanish and English.

- Live Chat is an Internet option taxpayers can use to ask FTB representative's general questions regarding personal income tax.
- To make contact with FTB as convenient as possible, Virtual Hold provides taxpayers the option to request a call back instead of waiting on hold. This option holds the taxpayers place in queue and will call the taxpayer back at the number provided by the taxpayer.
- Outreach efforts include *Tax News* articles and social media.

FTB has information on its website at ftb.ca.gov for those who have questions about pending account levies or feel they have been levied in error. As always, you are invited to contact us directly for constituency issues at 916.845.4300 for immediate assistance.

Sincerely,

A handwritten signature in cursive script that reads "Selvi Stanislaus".

Executive Officer