



Personal Income Tax Collections Information

If you have a balance due, failure to contact us and resolve your balance could cause us to garnish your wages, file, and record a lien against your property, seize your property, and levy your bank accounts. If you do not owe the balance stated or have any questions concerning our collection process or procedures, please contact us by:

Web: ftb.ca.gov
Phone: 800.689.4776
916.845.4470 (outside U.S.)
Mail: FRANCHISE TAX BOARD
PO BOX 942840
SACRAMENTO CA 94240-0040

Collection Information

Avoiding Involuntary Collection – The California Revenue and Taxation Code (R&TC) provides authority for us to take involuntary collection actions when individuals are delinquent in paying their state income tax. You can prevent involuntary collection actions if you:

- Pay your tax liability in full.
- Enter into an installment agreement.
- File required tax returns and pay the balance due or provide proof that you have no filing requirement.
- Make an Offer in Compromise that we accept.
- Establish that a financial hardship prevents you from paying your liability.

Third Party Contacts – We may contact third parties to determine or collect your tax liabilities. Subject to privacy laws and your rights as a taxpayer, you may obtain a list of those contacts within the 12-month period following the date of the enclosed notice. We must receive your request no later than 60 days after the 12-month period has ended. For more information, write to: DISCLOSURE OFFICE, FRANCHISE TAX BOARD, PO BOX 1468, SACRAMENTO CA 95812-1468. (R&TC Section 19504.7)

Interception – If you do not pay your entire income tax liability by the time it becomes due and payable, the unpaid amount could be satisfied by interception of funds due to you from the federal government, other states, or other California state agencies. If you do not believe you owe this debt, you must contact us within 30 days from when you first receive a *Return Information Notice* or *Statement of Tax Due* to prevent possible interception. (California Government Code (GC) Sections 926.8 and 12419 through 12419.12)

Installment Agreement Rejection – If we reject your request for an installment agreement, we will send you a notice stating the reason for the rejection. If you believe our rejection is improper, please call or write us at the phone numbers and address listed in the first paragraph of this form.

We generally may not levy your property during the 30-day period after we reject an installment agreement and during a review of that rejection, if you request a review within 30 days of the rejection. (R&TC Section 19008) See the Taxpayers' Rights Advocate Review section below for information regarding your rights to request a review of our rejection.

Tax Liens – If you do not pay your entire California income tax liability by the time it becomes due and payable, the unpaid amount is subject to a state tax lien. We may record a notice of state tax lien in the county recorder's office of the county in which you live or own real property and file a notice of state tax lien with the California Secretary of State. If we record or file a notice of state tax lien, you can get it released by paying the total tax liability (including any penalties, accrued interest, and fees) for the tax years represented by the lien. We record a certificate of release in the office of the county recorder where we recorded the notice and/or file the release with the California Secretary of State no later than 40 days after you pay the liability. If you pay by check, the 40-day period does not begin until your financial institution honors the check. Unfortunately, we sometimes record or file a notice of state tax lien in error. If this happens to you, call or write to us and explain our error. If we agree with you, we will send a notice to the applicable county recorder's office and/or to the Secretary of State and to credit reporting companies stating that we recorded/filed the notice in error. Should you have any concerns with our recording or filing of a tax lien, immediately call or write us at the phone numbers and address listed in the first paragraph of this form. (GC Sections 7162, 7171, 7174, and 7220; R&TC Sections 19221 and 21019) See the Taxpayers' Rights Advocate Review section below for information regarding your rights to request a review.

Bank, Wage, or Other Levies – California Code of Civil Procedure (CCP) Sections 700.010 through 704.995 and R&TC Sections 19231 through 19236 govern the seizure and sale of real and personal property pursuant to a warrant, Business and Professions Code Section 24049.5 governs the seizure and sale of liquor licenses, R&TC Sections 18670 and 18671 govern orders to withhold, and CCP Sections 706.020 through 706.154 govern withholding orders for taxes (wage garnishments). If we take your property and you believe our action is improper, you have a right to a hearing. To request a hearing, call or write us at the phone numbers and address listed in the first paragraph of this form. During the hearing, you should provide information that demonstrates the need to change or withdraw our levy or stop the sale of your property. See the Taxpayers' Rights Advocate Review section below for information regarding your rights to request a review. You may file a claim for reimbursement of charges and fees caused by an erroneous levy, processing action or collection action by us, provided you do so within 90 days of the erroneous action. (R&TC Section 21018) File a claim at the address listed in the first paragraph of this form.

Interest Rates – Interest accrues on unpaid taxes from the original due date of the return until the date we receive full payment. Interest accrues on penalties from the effective date of the penalty until the date we receive full payment. (R&TC Section 19101) To find current and prior interest rates, go to ftb.ca.gov and search for **interest rates**.

Claim for Refund – Time Limit – There is a time limit to request a refund from us. Generally, you can file a refund claim until the latter of four years from the due date of your tax return, or one year from the date of overpayment. (R&TC Section 19306) Generally, you may only request a refund when you have paid the full amount due. For claims filed on or after January 1, 2002, even if you have not yet paid the amount due in full, you can file an informal refund claim within the time frames indicated above. An informal claim will protect your right to file an appeal with the Office of Tax Appeals or to file suit against us in court until you have paid the total amount due. However, amounts paid more than seven years ago cannot be refunded. (R&TC Section 19322.1)

Fees and Penalties

Cost Recovery Fees – We charge you cost recovery fees if we must take action to resolve your filing and payment delinquencies. Cost recovery fees may include a filing enforcement fee, a collection fee, a lien fee, a federal treasury offset fee, and fees to cover the cost of seizing and selling property. (GC Sections 7171(e), 7174(d), and 16583.1 and R&TC Sections 19209, 19221, 19233, 19234, and 19254)

Late Filing Penalty – If you do not file your tax return by the extended due date, we impose a penalty of 25 percent of the amount due, after applying any payments and credits made on or before the original tax return due date. We impose the penalty from the original due date of the tax return. For a tax return that shows a balance due, the minimum late filing penalty is \$135 or 100 percent of the tax due after applying timely payments and credits, whichever is less. (R&TC Section 19131)

Dishonored Payment Penalty – We impose a penalty if your financial institution does not honor a payment you make to us by your check, money order, or electronic funds transfer. For a payment of \$1,250 or more, the penalty is 2 percent of the payment amount. For a payment less than \$1,250, the penalty is \$25 or the payment amount, whichever is less. (R&TC Section 19134)

Estimated Tax Penalty – We impose a penalty if you do not pay, pay late, or underpay an estimated tax installment. We calculate the penalty on the unpaid amount from the due date of the estimated tax installment to the date we receive your payment or to the due date of the tax return, whichever is earlier. (R&TC Section 19136)

Mandatory e-Pay Penalty – Beginning on or after January 1, 2009, R&TC Section 19011.5 requires taxpayers to remit all tax payments electronically, regardless of the taxable year for which the payment applies, once any estimated tax or extension payment exceeds \$20,000, or their tax liability exceeds \$80,000 for any taxable year beginning on or after January 1, 2009. Failure to comply with this requirement will result in a penalty of 1 percent of the amount paid, unless your failure to pay electronically was for reasonable cause and not willful neglect. (R&TC Section 19011.5) For more information, go to ftb.ca.gov and search for **mandatory e-pay**.

Post-Amnesty Penalty – We impose a penalty when you owe new or additional tax on a tax year that qualified for tax amnesty. Tax periods beginning prior to January 1, 2003 qualified for tax amnesty. You can file a claim for refund of this penalty only on the grounds that the amount of the penalty was not properly computed by the Franchise Tax Board. (R&TC Section 19777.5(a)(2))

Late Payment Penalty – We impose a penalty if you do not pay the total amount due shown on your tax return by the original due date. The penalty is 5 percent of the unpaid tax (underpayment), plus 0.5 percent of the unpaid tax for each month or part of a month it remains unpaid (monthly). The maximum penalty is 25 percent of the unpaid tax. (R&TC Section 19132)

Demand to File Penalty – If we send you a demand to file your income tax return or to provide us with information, and you do not comply, we impose a penalty of 25 percent of the tax on our assessment before applying any payments or credits. **Therefore, you may owe penalties and interest even if your tax return shows that a refund is due.** (R&TC Section 19133) The demand to file penalty is in addition to the 25 percent late filing penalty imposed pursuant to R&TC Section 19131.

Bill of Rights and Your Rights as a Taxpayer – The California Taxpayers' Bill of Rights (R&TC Sections 21001-21028) ensures that we adequately protect the rights, privacy, and property of all California taxpayers during the process of assessing and collecting taxes. Our goal is to make certain we protect your rights. We want you to have the highest confidence in the integrity, efficiency, and fairness of our state tax system. FTB 4058, *California Taxpayers' Bill of Rights*, includes information on state taxpayers' rights and how to request written tax advice from us. Get FTB 4058 at ftb.ca.gov or call us at 800.338.0505 (select Personal Income Tax), or mail us at FRANCHISE TAX BOARD, PO BOX 942840, SACRAMENTO CA 94240-0040.

Taxpayers' Rights Advocate Review – You may contact the Taxpayers' Rights Advocate if you have an ongoing state income tax problem that you have been unable to resolve through normal channels. Contacting the Taxpayers' Rights Advocate, however, is not an appeal and does not extend the period of time for filing one. You have the right to an independent administrative review if we notify you that we may levy your income or assets, file or record a notice of lien, or reject your request for an installment agreement. You must submit your request for review within 30 days of the date of the Final Notice Before Levy or within 30 days of the date of the Notice of State Tax Lien. (R&TC Sections 19008(e), 19225, and 21015.5) You may contact Executive and Advocate Services for additional information or to submit your request for review. Call: 800.883.5910, fax: 916.843.6022, or mail: Executive and Advocate Services MS A381, PO Box 157, Rancho Cordova, CA 95741-0157.

General Assistance

Internet and Telephone Assistance

Website: ftb.ca.gov
Phone: 800.852.5711 from within the United States
916.845.6500 from outside the United States
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments