

We have seen a sharp decline in the amounts contributed to the Voluntary Contribution Funds included on this year's income tax return. For the period of January through March 2017, we have received a total of \$1 million compared to \$2.3 million last year. We have identified the decline is due to a change in the tax preparation experience in Intuit's TurboTax product. We have contacted Intuit and they are responsive to making changes to their software for the 2016 return and reevaluate the product experience for the 2017 return. Intuit has provided the following statement:

*TurboTax continues to provide CA state taxpayers the option of contributing to a California Special Fund. This year, the company made changes to its CA state tax software product to make it more consistent with how the TurboTax federal tax software and other state software products work. The product updates, designed to help ease the burden of tax preparation by delivering a more customized and simplified experience for taxpayers, resulted in a change to how the CA Voluntary Contribution option is presented to taxpayers.*

*In prior years, all TurboTax CA state customers saw the option to donate as part of the regular interview flow. This year, CA taxpayers using TurboTax see an option to donate on a landing table and need to click through to get additional information or donate. The change enables TurboTax to focus on the primary tax preparation flow and interview. Those who want to donate can select "California Contributions" and TurboTax will guide them through the process.*

*The FTB has notified Intuit, maker of TurboTax, that donation levels have decreased as a result of these changes and Intuit plans to update the software for the remainder of the 2016 tax season to include the donation option as part of the regular interview flow. The company will also reevaluate this part of the CA state product experience for TurboTax 2017.*

We realize the importance of annual donations made by California taxpayers on their income tax return. Our expectation is for software vendors to provide a tax preparation experience that presents all taxpayers with information about the funds and the opportunity to make a donation on their California tax return.