



STATE OF CALIFORNIA  
**FRANCHISE TAX BOARD**  
**Legal Branch**  
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KATHLEEN CONNELL  
 Chair

JOHN CHIANG  
 Member

B. TIMOTHY GAGE  
 Member

April 23, 2002

Information Letter No. 20020057

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Dear \*\*\*\*\*,

Thank you for your letter dated \*\*\*\*\*, in which you requested an adjustment of your outstanding financial obligation owed to the Franchise Tax Board. You specifically requested a reduction in the rate of interest on your unpaid tax during the period of your active military service, beginning on \*\*\*\*\* , pursuant to the Soldiers and Sailors Civil Relief Act, title 50 United States Code, Appendix, section 526.

We regret that we cannot grant your request. Revenue and Taxation Code section 19101 specifies that the applicable interest rate on any unpaid California personal income tax, for periods beginning on or after April 15, 2001, shall be as follows:

<u>Period</u>	<u>Rate</u>
*****	**
*****	**
*****	**

Although the federal law you have cited limits the rate of interest applicable to your unpaid financial obligations, that provision does not apply to state income tax liabilities. The provision cited is applicable to provide relief from the interest on outstanding loans where the interest rate is over 6%. Under California Revenue and Taxation Code section 18571, a member of the Armed Forces that serves in a combat zone is generally able to defer payment of an outstanding tax liability, without interest or penalties, for the duration of that service and up to 180 days thereafter. California Revenue and Taxation Code section 18570 provides a similar deferment for members of the Armed Forces who are serving outside of the United States. Based upon the information you provided, however, it does not appear that you qualify for either of these deferments. If you feel you do qualify for one of these deferments, or need further assistance, please contact your legal assistance office.

Sincerely,

Carissa Lynch  
 Tax Counsel