



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
 PO Box 1720
 Rancho Cordova CA 95741-1720

STEVE WESTLY
 Chair

JOHN CHIANG
 Member

MICHAEL C. GENEST
 Member

August 9, 2006
 Information Letter: 2006-0005

RE: *****

Dear *****:

In your correspondence dated ***** , you requested legal rulings from the chief counsel of the Franchise Tax Board on three issues identified within your letter. We are treating your correspondence as a request for a chief counsel ruling under Revenue and Taxation Code section 21012, subdivision (a)(1).

Revenue and Taxation Code section 21012, subdivision (h), provides that "chief counsel rulings shall be issued as provided in published guidelines". On May 10, 1989, the Franchise Tax Board issued FTB Notice 89-277, entitled "Taxpayers' Bill of Rights, Franchise Tax Board Chief Counsel Rulings Guidelines". (Copy attached.) The Notice provides that the Franchise Tax Board will issue advance rulings and advisory information letters to non-corporate taxpayers whenever possible in the interest of sound tax administration. The Notice requires the person or representative requesting the ruling to fully describe the facts and circumstances of the transaction or activity. The Notice further requires that in the case of requests made on behalf of corporations or individuals represented by tax professionals, the request must provide the taxpayer's legal analysis of those facts and relevant authorities.

We must decline your request for a chief counsel ruling for two principal reasons. First, your request for a ruling fails to comply with the requirements of FTB Notice 89-277. Second, in the interest of sound tax administration, it is our policy to not issue advance rulings in situations where there is an existing audit, protest or appeal with respect to the taxpayer requesting the ruling, and our records indicate that the Franchise Tax Board sent you a Notice of Proposed Assessment for the ***** , and that the Franchise Tax Board is currently reviewing the form you filed for the *****

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Please specifically note that this letter does not constitute "written advice from the board" within the meaning of Revenue and Taxation Code section 21012, subdivision (a), and may not be relied upon within the meaning of that section.

Sincerely,

Craig L. Scott
Tax Counsel IV
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Encl: FTB Notice 89-277