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JOHN CHIANG
Chair
BETTY T. YEE
Member
MICHAEL C.
GENEST
Member

Interested Parties Meeting

To attend this meeting, please RSVP by March 20, 2009, by contacting Colleen Berwick at (916) 845-3306 or Email: Colleen.Berwick@ftb.ca.gov. Space is limited.

To participate in this meeting by telephone, use this number to dial in: (877) 923-3149. The participant pass code is 2233420.

When

March 23, 2009
10:00 a.m.

Where

Franchise Tax Board
Golden State Rooms A/B
9646 Butterfield Way
Sacramento, CA 95827
(North Lobby entrance)

Topic

Draft FAQs on filing of amended returns and paying tax for purposes of the cure provision pursuant to Revenue and Taxation Code (R&TC) section 19138(b).

Background

The penalty under R&TC section 19138 applies to corporations for tax years beginning on or after January 1, 2003, where the corporation has an understatement of tax in excess of \$1 million. The penalty is 20% of the entire amount of the understatement, which is measured by the difference between the tax reported on the original or amended return filed on or before the extended due date and the correct tax liability.

For the 2003-2007 tax years, a taxpayer can file an amended return and pay the tax shown on the amended return by May 31, 2009 in order to treat the tax shown on this amended return as tax shown on the original return for purposes of this penalty. This will increase the taxpayer's self-assessed tax base against which the understatement is measured to reduce the likelihood of receiving this penalty for the 2003-2007 tax years.

An interested parties meeting was held on December 5, 2008, to elicit public input on issues related to this cure provision. General informal guidance in the form of frequently asked questions (FAQs) was released to the public on January 22, 2009. Additional FAQs were distributed in draft form for public comment on February 26, 2009, which prescribe procedures for (1) filing amended returns, (2) an election in lieu of filing an amended return in certain situations, and (3) paying the tax shown on the returns. Comments were received by the March 12, 2009 deadline.

Purpose

To solicit public input regarding the draft second set of FAQs relating to the implementation and administration of the cure provision of the large corporate understatement penalty pursuant to R&TC section 19138(b).

Please provide any written comments before the meeting to the contact listed below.

Contact

Anne Mazur

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[Visitor Parking Map](#)

* This facility is architecturally accessible to persons with physical disabilities.