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JOHN CHIANG  
**Chair**  
JUDY CHU, PH.D.  
**Member**  
MICHAEL C. GENEST  
**Member**

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## Interested Parties Meeting

To attend this meeting, please RSVP by December 2, 2008, by contacting Colleen Berwick at (916) 845-3306 or Email: [Colleen.Berwick@ftb.ca.gov](mailto: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

December 5, 2008, 10:00 a.m.

### Where

Franchise Tax Board  
Valley Quail Room  
9646 Butterfield Way  
Sacramento, CA 95827  
(North Lobby entrance)

### Topic

Discuss provisions of new Revenue and Taxation Code section 19138(b) regarding payments and the filing of amended returns by May 31, 2009.

### Background

Revenue and Taxation Code section 19138 was added by SBX1 28 (Stats. 2008, 1<sup>st</sup> Ex. Sess. 2008, Ch. 1), and is effective December 22, 2008 (91<sup>st</sup> day after adjournment under special session rules in Cal. Const., Art. IV, sec. 8(c) (1)). Here is a link to the bill text –

[http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb\\_0001-0050/sbx1\\_28\\_bill\\_20081001\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/07-08/bill/sen/sb_0001-0050/sbx1_28_bill_20081001_chaptered.pdf)

The new penalty applies to corporations for taxable 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 taxable 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 taxable years.

### Purpose

To elicit public input regarding payments and the filing of amended returns by May 31, 2009, pursuant to Revenue and Taxation Code section 19138(b).

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

### Contact

Anne Mazur

- Email: [anne.mazur@ftb.ca.gov](mailto:anne.mazur@ftb.ca.gov)
- Telephone: (916) 845-5404
- Fax: (916) 843-2106
- Address: Legal Division (MS A260), P.O. Box 1720, Rancho Cordova, CA 95741-1720

### [Visitor Parking Map](#)

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