



Filing Season Update

(Statistics effective week ending May 27, 2017 unless otherwise noted)

Personal Income Tax Returns

In 2016 we received over 17.8 million Current Year (CY) personal income tax (PIT) returns and 87% were e-filed. For the 2017 Filing Season, we have received 16.2 million CY PIT returns, which is 1% more than returns received last year. 88% of these returns were e-filed.

Annually, over 6 million taxpayers qualify to use CalFile. So far this year, 133,400 CalFile returns have been received compared to 149,600 last year. CalFile includes the ability for taxpayers to file prior year returns. We have received an additional 5,600 prior year returns filed through CalFile. These returns often result in the refund of unclaimed withholding in excess of the individuals' tax liability. On-line survey results and comments continue to validate the need for free e-file services. Over 95% of users surveyed found CalFile easy to understand and indicated their intent to use this service again next year.

This is the fourth year of the e-file option for fiduciary returns. So far this year, we have received 202,000 e-filed fiduciary returns compared to 195,000 last year, representing an increase of 3.5%.

Business Entity Tax Returns

In 2016 we received 1.8 million Business Entity (BE) returns and approximately 76% were e-filed. For the 2017 Filing Season, we have received 984,000 BE returns, which is 1% more than the same time last year. Approximately 80% of returns have been e-filed. The volume of e-filed returns is 4.5% higher than last year. We expect BE e-file to continue to grow due to passage of SB 2754 (Ch. 478, Stats. 2014), effective January 1, 2015, requiring entities to e-file their returns if they use software that supports e-file.

Refunds (PIT and BE)

Over 10.9 million PIT refunds amounting to \$10.4 billion have been issued this year. The average current year refund is \$914 compared to \$856 last year.

Refunds to 87,400 business entities have been issued this year amounting to \$309 million. Last year at this time, 79,600 business entity refunds had been issued for more than \$1 billion.

Total Deposits (PIT and BE)

Paper continues to be the predominant method of payment used by PIT and BE taxpayers, but use of electronic payments is growing. For the 2017 filing season, we have received 6 million PIT payments totaling \$22.3 billion, a decrease of 2.6% in volume but an increase of 2.2% in dollar amount compared to this time last year. Approximately 54% of PIT payments were paid by paper check which is a 4% decrease from last year.

BE deposit volume is 1.6 million for this year compared to 1.5 million for last year. The total dollar amount is \$4.8 billion which is a decrease of 4.4% when compared to last year's total of \$5.0 billion. Approximately 77% of all payments were made by paper check, which is a 6% decrease from last year.

Overall, total PIT and BE deposits this year are \$27.1 billion including \$18.9 billion in electronic payments.

Return, Payment, and Correspondence Scanning-Moving Away From Paper

One of the objectives of the Enterprise Data to Revenue project was to reduce moving paper around the department to process returns, payments, and correspondence while also capturing considerably more information. This has allowed us to make information available to the enterprise at the earliest possible point.

The 2017 Filing Season is our fourth season using imaging processes for all incoming paper and it has now become the norm. So far in 2017 we have scanned 46.9 million pages.

Online Self-Service

Beginning in 2016, all users registering for a MyFTB account need a Personal Identification Number (PIN) to activate their account. For increased security, FTB mails the PIN to the address of record, and the users enter it as the final step in the registration process. Over 56,000 users have registered in 2017, including over 2,400 tax professionals. We currently have 347,000 registrants for MyFTB, including over 30,000 tax professionals.

We continue to enhance and refine MyFTB to provide additional information and functionality. In addition to other activities, taxpayers can view notices and previously filed tax returns, chat about their account or send a message with attachments, protest assessments, and see detailed account information.

In addition to the 155,000 taxpayers who registered in 2016 for a basic account which allows them to use CalFile, 96,000 have registered in 2017.

Taxpayers have used the 'Check Your Refund Status' web application over 3.4 million times this year. This includes taxpayers who used the free 'FTB Refund Mobile' application to check their refund 51,000 times.

Taxpayer & Tax Practitioner Services – Contact Center

FTB's primary contact center answered 420,000 calls, representing a 56% level of access. The average taxpayer wait time this year is about 8 minutes, while the average wait time last year was 18 minutes. The Tax Practitioner Hotline answered 113,000 calls, representing 74% of the calls offered. The Hotline's average wait time was 12 minutes. Authenticated chat allows account specific information to be shared. Approximately 17,000 taxpayers were assisted through authenticated chat representing 83% of the conversations offered. Non-authenticated chat answered over 54,000 chats with a level of access of 91%.

Public Education

The Filing Compliance Bureau has focused education efforts on the escrow community in an effort to improve the real estate withholding process and the accuracy of information received. For Fiscal Year 2016/2017 the Bureau has presented at 9 escrow conferences/meetings this year.

The Processing Services Bureau Exempts Section participated in education and outreach events, which are sponsored by California State Board of Equalization members, the State Controller's Office, and various nonprofit groups. Exempts' Section presenters engaged with the public to discuss various aspects of exempt organizations, including how to become an exempt organization, filing requirements, how to keep one's exempt status, various issues (e.g., unrelated business income and suspensions), and any other items that the audience requests. Last year Exempts Section conducted 12 such presentations, including events in San Francisco, Brentwood and Apple Valley. So far this year, Exempts Section has conducted 9 presentations.

Field Office Public Counters

Public counter staff located in our 6 field offices provided in person assistance to 38,500 taxpayers and/or their representatives. This represents an equivalence compared to this time last year. Our staff provided assistance on a wide variety of PIT, BE, and Non-Tax debt issues and were able to refer taxpayers to local VITA Sites (Volunteer Income Tax Assistance). Additionally, for taxpayers who happened to have either a Laptop, Smartphone or Tablet, staff were able to help them log into their MyFTB accounts using FTB's WIFI for Business. The video broadcast in our public counter lobbies provided information on a wide variety of topics including the availability of self-service options such as checking individual or business account status through MyFTB, filing returns using CalFile, and checking the status of a refund.

Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)

VITA and TCE provide free tax return preparation for individuals who have a low income, are over the age of 60 or who are serving in the military. Help was available this tax season from January 28 to April 18 at many sites, and a handful of locations remain open. During tax season, 120 FTB Central Office staff members, retirees and even some family members volunteered to assist at dozens of different sites. VITA volunteers from FTB and the Capital Region VITA Coalition electronically filed more than 15,000 combined state and federal returns for 2016.

Earned Income Tax Credit

FTB has allowed over 348,000 EITC claims for \$181 million in credit to date this year. This compares to over 353,000 claims for \$182 million in credit for 2016. The average processing time for a return claiming the credit is 7-10 days.