



## Filing Season Update

(Statistics effective May 28, 2016 unless otherwise noted)

### **Personal Income Tax Returns**

The volume of current year personal income tax (PIT) returns filed is over 16.1 million which is a 3 percent increase compared to the same time last year. PIT e-file returns are ahead of last year at this time by nearly 5 percent having received more than 14.1 million returns this year versus almost 13.5 million returns at the same time last year. FTB estimates that PIT e-file volume will grow by another 1-2 percent next tax year. Overall, over 87 percent of PIT returns were e-filed.

Annually, over 6 million taxpayers qualify to use CalFile. So far this year, more than 157,000 CalFile returns have been received compared to almost 246,000 CalFile returns last year. The reduction compared to prior years is partly due to software companies offering extended promotions with free or reduced filing costs for both Federal and State returns. This is consistent with taxpayer feedback favoring free e-file options. CalFile includes the ability for taxpayers to file prior year returns. We have received nearly 8,000 previous 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 percent of users surveyed found CalFile easy to understand and indicated their intent to use this service again next year.

This is the third year of the e-file option for fiduciary returns. So far this year, we have received 196,000 e-filed fiduciary returns compared to 176,000 last year, representing an increase of nearly 12 percent.

### **Business Entity Tax Returns**

We received 972,000 business entity (BE) tax returns, which is 2 percent more compared to 953,000 received last year. The passage of SB 2754 (Ch. 478, Stats. 2014) effective January 1, 2015, requires entities to e-file their tax returns if they utilize software that supports e-file. There has been more than 748,000 business e-file tax returns received, which is an 11 percent increase over the 673,000 received last year. Overall, 77 percent of BE returns were e-filed, compared to 71 percent at this time last year.

### **Refunds (PIT and BE)**

Over 10.4 million PIT refunds amounting to more than \$9.2 billion have been issued this year. The average current year refund is \$856 compared to \$851 last year.

Refunds to nearly 80,000 business entities have been issued this year amounting to nearly \$1.1 billion. Last year at this time nearly 85,000 business entity refunds had been issued for more than \$700 million.

## **Total Deposits (PIT and BE)**

The volume of PIT deposits is just under 6.2 million, an increase of 1.5 percent, and the total dollar amount is up 1 percent to \$21.8 billion, with more than \$14.6 billion paid electronically. However, paper continues to be the predominant method of payment used by taxpayers, with 58 percent of all payments made by paper check. This is a decrease from 62 percent last year.

BE deposit volumes is up by 2.6 percent to 1.5 million; the total dollar amount is also ahead of last year for a total of more than \$5 billion compared to deposits of nearly \$4.6 billion last year. Similar to PIT payments, paper continues to be the predominant payment method. Over 83 percent of all payments were made by paper check, which is a decrease from 88 percent last year.

Overall, total deposits were \$26.9 billion including \$18.1 billion in electronic payments.

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

One of the objectives of the Enterprise Data to Revenue project is to reduce moving paper around the department to process returns, payments, and correspondence while also capturing considerably more information.

The 2016 Filing Season was our third season using the new imaging processes for all of our paper processing. With additional experience, planning, collaboration, and new strategies we again exceeded our projected speed and outpaced our performance last year in both scanning and data capture of tax returns, payments, and correspondence. For this Filing Season to date, we scanned and imaged more than 50 million pages and cashed over 5.1 million checks.

## **Online Self-Service**

Due to enhancements to MyFTB, taxpayers were required to reregister for MyFTB beginning January 4, 2016. The registration process requires an additional step which includes use of a Personal Identification Number (PIN) to activate their account. For increased security, the PIN is mailed to the address of record, and required as the final step in the registration process. This causes a slight delay in accessing MyFTB. We have registered about 250,000 new registrants for MyFTB and MyFTB accounts have been accessed 875,000 times. MyFTB now provides additional information and functionality. For example, taxpayers can view notices and previously filed tax returns. They can chat about their account or send a message with attachments. They can also protest assessments and see more detailed account information.

An additional 140,000 taxpayers have registered for a basic account which allows them to use CalFile and view prior year returns filed using CalFile.

Additionally, taxpayers have used the Check Your Refund Status web application over 4.1 million times this year. This includes taxpayers who downloaded the free FTB Refund Mobile Application.

## **Taxpayer & Tax Practitioner Services – Contact Center (as of May 20, 2016)**

FTB's primary contact center answered more than 457,000 calls, representing a 38 percent level of access. The average taxpayer wait time this year is about 18 minutes, while the average wait time last year was 9 minutes. The Tax Practitioner Hotline answered over 80,000 calls, representing 77 percent of the calls offered. **The Hotline's average wait time was 15 minutes.** Live Chat expanded

services this year and now offers authenticated chat in addition to non-authenticated chat. Authenticated chat allows account specific information to be shared. Approximately 15,000 taxpayers were assisted through authenticated chat representing 75 percent of the conversations offered. Non-authenticated chat answered 58,000 chats with a level of access of 78 percent.

## **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 accuracy of information received. The Bureau has presented at eight escrow conferences/meetings this year, and has four more presentations scheduled in the coming months.

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' 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 conducted 13 such presentations, including events in San Francisco, Brentwood and Apple Valley.

## **Public Counter and Field Offices**

Our six public access field offices assisted nearly 44,000 taxpayers and representatives. Our staff provided excellent face-to-face customer service and our lobby monitors provided additional information on a wide variety of topics including the availability of self-service options checking account status through MyFTB, filing returns using CalFile and checking the status of a refund. The total number of taxpayers who visited our field offices increased 14% compared to last year. We were busiest during the months of March and April 2016, with a peak period between April 1 and April 18.

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

VITA and TCE are programs that help individuals with low income and/or are over the age of 60 and military personnel prepare their state and federal income tax returns. Assistance is available from February 1 to April 15 annually. This year as of May 2, FTB employees and volunteers completed over 630,000 California and Federal returns at various locations throughout the state. VITA volunteers completed more than 325,000 Federal income tax returns, which resulted in almost \$367 million in Federal refunds awarded. Included in the Federal returns completed are more than 73,000 Earned Income Tax Credit Federal returns for qualified taxpayers, resulting in more than \$120 million in Federal refunds, an average of \$1,627 per taxpayer. Finally, VITA volunteers prepared over 305,000 State tax returns. Unfortunately, CA EITC information specific to the VITA program is unavailable.

## **Earned Income Tax Credit**

FTB has allowed 370,000 EITC claims for \$182 million in credit. The average processing time for a return claiming the credit is 10 days or less. We also assisted over 150 taxpayers at our field office public counters regarding EITC.