



Filing Season Update

(Statistics effective June 13, 2015 unless otherwise noted)

Personal Income Tax Returns

The volume of current year personal income tax (PIT) returns filed is more than 15.7 million which is a 3 percent increase compared to the same time last year. Personal income tax e-file returns are ahead of last year at this time by 4.4 percent having received more than 13.5 million returns this year versus almost 13 million returns at the same time last year. Overall, 86 percent of PIT returns were e-filed.

Taxpayers have filed more than 247,000 CalFile returns versus almost 278,000 CalFile returns last year. We attribute the decline primarily to some software companies offering temporary promotional discounts or reduced filing costs for both Federal and State returns, which is consistent with taxpayer feedback favoring free e-file options. Included in the current year volume is 10,000 previous year returns filed through CalFile. On-line survey results and comments continue to validate the need for free direct-to-government e-file services. Over 95 percent of users surveyed found CalFile easy to understand and felt that this is the type of service that government should provide. These users also indicated their intent to use this service again next year.

This is the second year of the e-file option for fiduciary returns. So far this year, we have received more than 180,000 e-filed fiduciary returns compared to almost 101,000 last year, representing an increase of over 78 percent of e-filed fiduciary returns.

FTB estimates that PIT e-file will grow by another 1-2 percent next tax year. Increased awareness of e-file options, desire for faster processing, and a faster refund continue to be a few of the contributing factors.

Business Entity Tax Returns

We received more than 990,000 business entity (BE) tax returns which is approximately 5 percent higher compared to the same time 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 have been more than 695,000 business e-file tax returns received, whereas last year at this time 557,000 business e-file tax returns were received (25 percent increase).

Overall, 70 percent of BE returns were e-filed, compared to 59 percent at this time last year.

Refunds (PIT and BE)

More than 10 million PIT refunds amounting to more than \$8.8 billion have been issued this year. The average current year refund is \$857 this year compared to \$856 last year.

Refunds to nearly 90,000 business entities have been issued this year amounting to more than \$710 million. Last year at this time more than 94,000 business entity refunds had been issued for more than \$707 million.

Total Deposits (PIT and BE)

The volume of PIT deposits is more than 6.5 million, an increase of 4.3 percent, and the total dollar amount is up 20 percent to nearly \$24 billion, with more than \$15 billion paid electronically. However, paper continues to be the predominant method of payment used by taxpayers, with 63 percent of all payments made by paper check. This is a modest decrease from 64 percent of payments by paper check reported last year.

BE deposit volumes is up by 6.5 percent to 1.6 million; the total dollar amount is also ahead of last year for a total of more than \$5.3 billion compared to deposits of nearly \$4.7 billion last year at this time. Similar to PIT payments, paper continues to be the predominant payment method. Nearly 87.5 percent of all payments were made by paper check which is 2.5 percent less than the amount reported for the same time last year.

Overall, electronic payments accounted for nearly \$19 billion of the total dollar amount deposited, including the new single largest day deposit record of \$2.72 billion on April 15.

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

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

The 2015 Filing Season was our second season using the new imaging processes for all of our paper processing. With an additional year of 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 54 million pages and cashed nearly 5.8 million checks.

Online Self-Service

The volume of new registrants in 2015 for MyFTB is more than 313,000. The overall usage of MyFTB for the year is approximately 963,000 PIT and BE taxpayers. Additionally, there were more than 2.2 million taxpayers checking the status of their refund utilizing the Check Your Refund Status web application.

Taxpayer & Tax Practitioner Services – Contact Center

FTB's primary contact center answered more than 513,000 calls, representing a 51 percent level of access. The average taxpayer wait time this year is about 10 minutes, while the average wait time last year was 8 minutes. The Tax Practitioner Hotline answered nearly 80,000 calls, representing 77 percent of the calls offered. The **Hotline's average wait time was** nearly 14 minutes. Live Chat has assisted more than 62,000 taxpayers this year compared to 78,000 last year, representing 97 percent of the conversations offered.

Public Education

The Filing Services Bureau conducted webinars to assist taxpayers with estimated tax penalty and nonresident issues. 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.

Public Counter and Field Offices

Our six field offices assisted over 38,000 taxpayers during the months of January through May 2015. Our staff provided excellent face-to-face customer service to our taxpayers, and our lobby monitors provided additional information to our customers regarding CalFile, checking the status of a refund, how and when to obtain an individual status letter, and how to resolve tax-related identity theft issues.

The total number of taxpayers who visited our field offices decreased 1% compared to last year. We were busiest during the months of March and April 2015, with a peak period between April 1 and April 15. The Santa Ana, San Diego, Sacramento, San Francisco and Oakland Field Offices extended their office hours on April 13- 15 from 5pm - 7pm and assisted over 100 taxpayers during the extended hours.

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 4, FTB employees and volunteers completed 578,000 California and Federal returns at approximately 960 locations throughout the state. VITA volunteers completed more than 289,000 Federal income tax returns, which resulted in more than \$336 million in Federal refunds awarded. Included in the Federal returns completed are more than 70,000 Earned Income Tax Credit Federal returns for qualified taxpayers, resulting in more than \$114 million in Federal refunds, an average of \$1,623 per taxpayer. Finally, VITA volunteers prepared nearly 289,000 State tax returns.