

09.22.15



State of California
Franchise Tax Board

Protest and Corporate Claims

Focusing our
Resources

Joze! Brunett | Legal Division

Mimi Fitzsimon | Audit Protest Section

Marian McKenna | National Business Audit Bureau

Docketed Protest Inventory Status

July 1, 2014

Open Inventory	Docketed
< 36 months	308
> 36 months	238
Total Inventory	546

Goal for 14/15

- Close between **40 to 50 %** (95 to 119) of cases pending more than thirty six months

Actions Taken for 14/15

- Hired fourteen new attorneys
- Received three loaned staff from Audit to work cases
- Permanent redirection of two Audit staff who handle case closing processes
- Involved attorneys earlier in the audit process to minimize the number and size of disputes leading to protests
- Increased communication with taxpayers and representatives throughout the process

Results

Closed Cases

June 2015

Aged Inventory	Docketed
Total Cases > 36 months	238
Closed Aged Case Goal	95 - 119
Closed Cases > 36 months	108
Closed Cases < 36 months	+ 45
Total Aged Closed Cases	153

Docketed Protest

Inventory Status and Next Steps

July 1, 2015

Inventory Status	Docketed
< 36 months	289
> 36 months	198
Total Inventory	487

Next Steps	Workable Aged Cases
Goal	45 – 50%
> 36 months	178



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Undocketed Protest

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Undocketed Protest Inventory Status

July 1, 2014

Open Inventory	Undocketed
< 24 months	593
> 24 months	151*
Total Inventory	744

*94 of these
cases are
workable

Goals for 14/15

- Target workable aged cases > 24 months
- Commit to close a target of 469 cases
- Reduce the overall inventory by 24%

Actions Taken for 14/15

- Added eleven Hearing Officers and two Leads
- Trained and developed staff
- Consulted with FTB attorneys earlier in the protest process
- Increased timely communication

Results

Closed Cases

June 30, 2015

Target Workable Aged Cases > 24 Months	94
Target for Closed Cases	469
Closed Workable Aged Cases > 24 months	81
Closed Cases < 24 months	+ 447
Total Closed Cases	528

Undocketed Protest Inventory Status

July 1, 2015

Open Inventory	Undocketed
< 24 months	447
> 24 months	116* 
Total Inventory	563

*24% decrease



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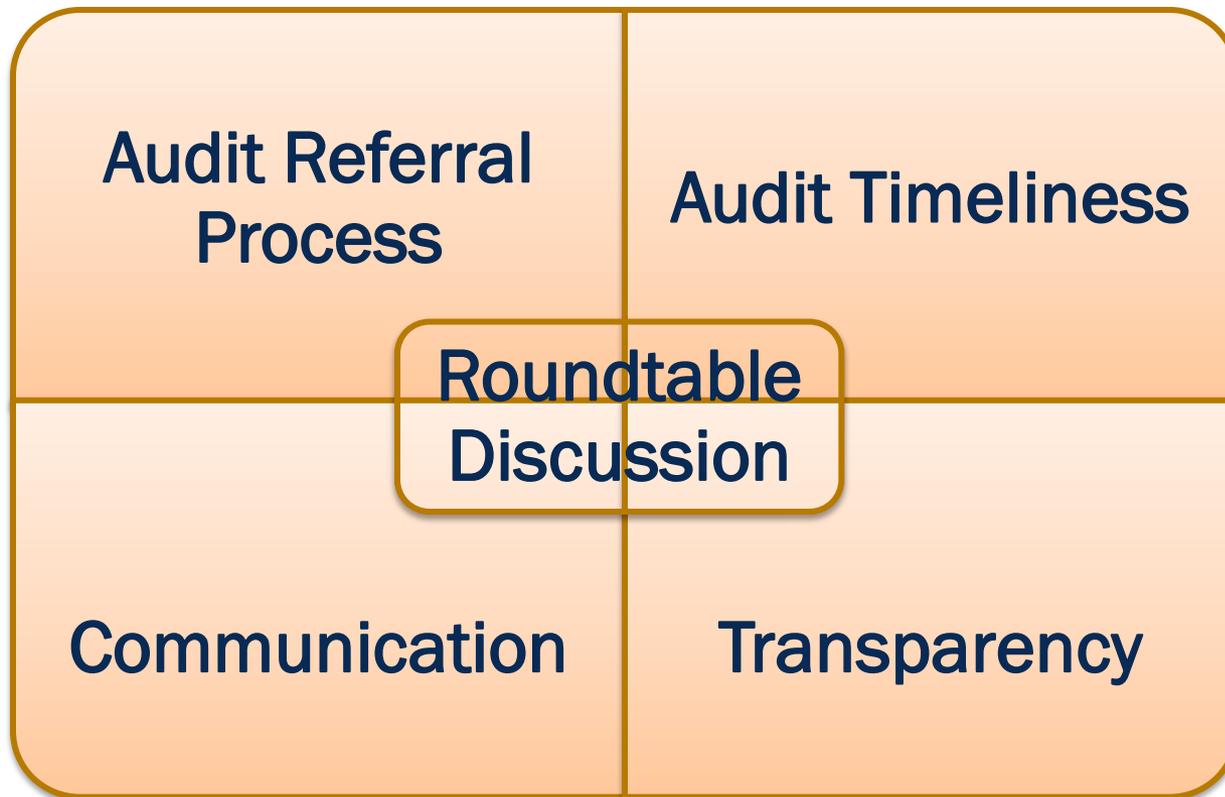
Corporate Claims

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Background

Corporate Claims



Corporate Claims

Evaluated our Referral Process

- Paper to electronic
- Refined criteria
- **Results:** 70% of corporate claims refunded before audit

Corporate Claims

Focused on our Timeliness

Audit Timeframes

- Average 18 months to Audit
- Closed 75% of Corporate cases over 3 years old
- 80% of Corporate cases are less than 2 years old
- **Results:** 20% fewer corporate claims in Audit inventory

Corporate Claims

Improve our Communication and Transparency

Communication

Transparency

- Claim process on FTB website
- Supervisor and manager contact information on correspondence
- Claim acknowledgement letter



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