



## Filing Season Update

(Statistics effective June 1, 2013 unless otherwise noted)

### Personal Income Tax Returns

The volume of personal income tax (PIT) returns filed is 14.6 million which is a 1 percent increase compared to the same time last year. Personal income tax e-file returns are ahead of last year at this time by 2 percent having received 12.2 million returns this year versus 11.9 million returns at the same time last year. Overall, 84 percent of PIT returns were e-filed, which is up 1 percent compared to last year.

Taxpayers have filed 251,000 CalFile returns versus 239,000 CalFile returns last year, which is an increase of 5 percent over last year. 77,000 taxpayers have used ReadyReturn to file their PIT return, a decrease of 8 percent over last year. 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 and ReadyReturn 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.

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 are just a few of the contributing factors.

### Business Entity Tax Returns

Business Entities (BE) have filed 780,000 tax returns. We continue to experience good growth in the number of business entity tax returns filed electronically, increasing from 410,000 last year to 472,000 business e-file tax returns this year – an increase of 15 percent.

As with PIT, BE e-file is expected to grow as a percentage of total returns filed. We anticipate BE e-file to continue to grow at 5-10 percent per year. This growth stems from the IRS e-file mandate, increased awareness of e-filing, **e-filing's convenience, and FTB's outreach** to encourage businesses to use e-filing to meet their filing obligations.

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

About 9.6 million PIT refunds amounting to \$8.0 billion have been issued this year. The average current year refund is down \$42 to \$834 compared to \$876 last year.

Refunds to nearly 62,000 business entities have been issued this year amounting to \$569 million. Last year at this time 66,000 business entity refunds had been issued for \$843 million.

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

The volume of PIT deposits is up by 3 percent and the total dollar amount is up 85 percent to \$23.3 billion, with \$16.2 billion paid electronically. However, paper continues to be the predominant method of payment used by taxpayers, with 66 percent of all payments made by paper check. This is a modest decrease from 69 percent of payments by paper check reported last year.

BE deposit volumes are up by 4 percent; the total dollar amount is also ahead of last year for a total \$4.1 billion compared to deposits of \$3.8 billion last year at this time. Similar to PIT payments, paper continues to be the predominant payment method. Nearly 92 percent of all payments were made by paper check which is 1% less than the amount reported for the same time last year.

Overall, electronic payments accounted for \$18.9 billion of the total dollar amount deposited, including the single largest day of \$2.66 billion on April 16 and second largest day on April 15 with \$2.32 billion.

## **FTB Website Slowness**

This year we experienced slowness and downtime on our website on April 14 and 15 that impacted **taxpayers' ability to register for an account to use CalFile/ReadyReturn and/or make payments** using Web Pay. In response to these issues, we allowed payments made on April 16 to be considered as timely paid. We will also waive the mandatory e-pay penalty for anyone who paid their tax, extension or estimated tax payment by paper check because they were unable to access Web Pay.

**The overall website traffic for April 15 increased twofold over last season. FTB's network capacity** was sufficient for the increase in traffic but the taxpayer registration/ authentication application and **FTB's reverse proxy server did not have the capacity needed** for the increased traffic.

We assembled a team to begin a very thorough health assessment **of FTB's website infrastructure** and associated web applications. We will engage the IT vendor community to help further diagnose and mitigate the problems we experienced. We will have a plan by July to begin implementing the mitigations and remedies needed to fully resolve the problems in time for the October 15 return filing peak (tied to taxpayers who have automatic extensions of time to file) and April 15, 2014.

## New Enhancements

### CalFile

- **Import** – This feature allows the taxpayer to use information FTB already has to pre-populate their return with name, address, employer wages and withholding, and other information to complete their tax return faster.
- **Save** – This feature allows the taxpayer to save their information on a partially completed return so they can return to finish it at their convenience.
- **Email confirmation** – This feature allows taxpayers to enter their email address and receive a confirmation email message that their return was received by FTB.
- **Improved usability** – We made CalFile easier to use through the redesign of content with simpler pages. This helped taxpayers to easily enter the information needed to complete their return.

## Taxpayer & Tax Practitioner Services – Contact Center

FTB's primary contact center answered 529,000 calls, representing 49 percent of the calls offered. The average taxpayer wait time this year is about 10 minutes, while the average wait time last year was 9 minutes. The Tax Practitioner Hotline answered 84,000 calls. The Hotline's average wait time was 8 minutes. Live Chat has assisted more than 83,000 taxpayers this year compared to 73,000 last year.

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

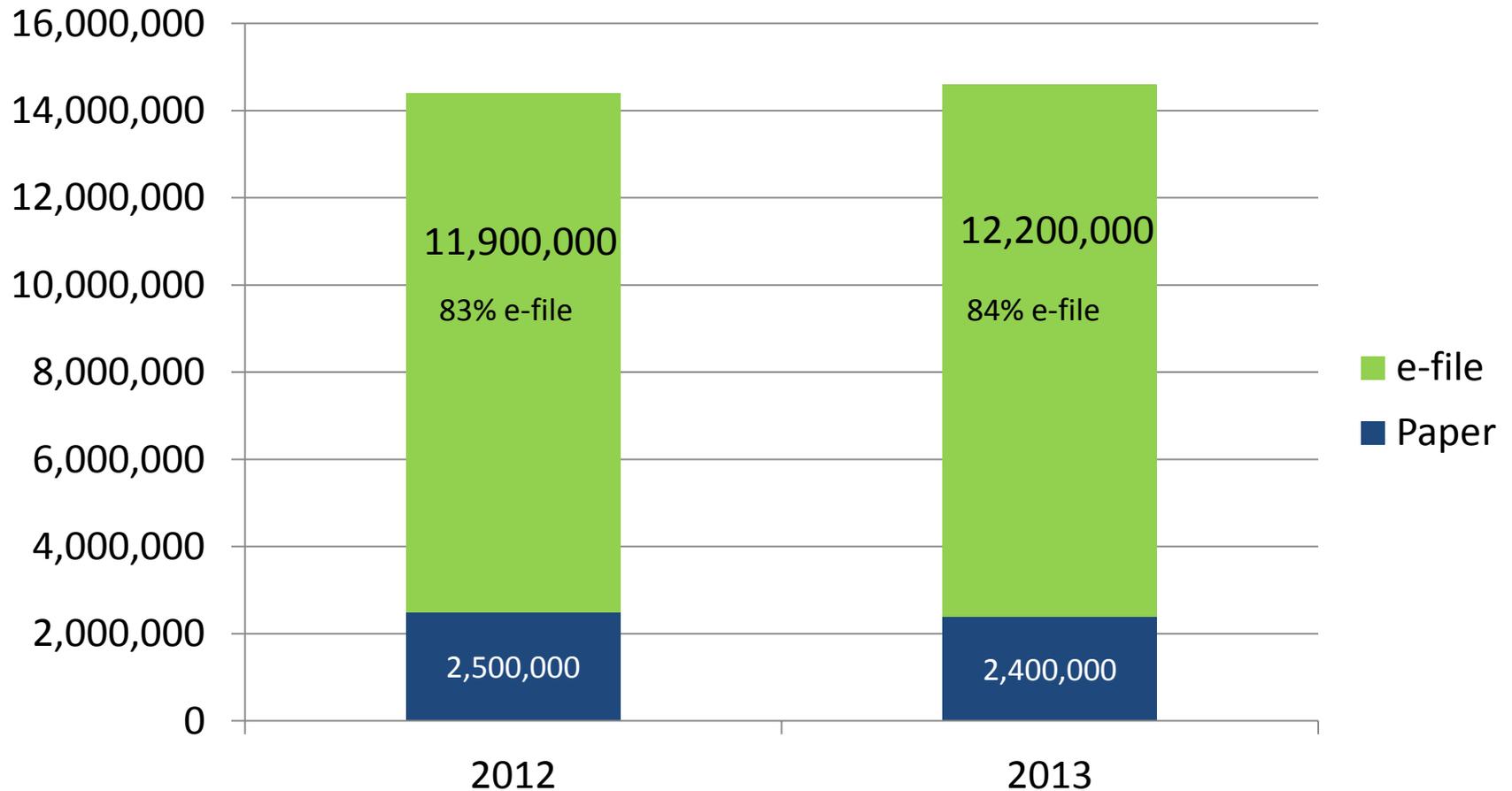
VITA and TCE are programs that help individuals with low income and/or are over the age of 60 and military personnel prepare their state and federal income tax returns. Assistance is available from January 18 to April 15. This year FTB employees and volunteers completed over 518,000 returns at approximately 1,200 locations throughout the state.

## Public Education

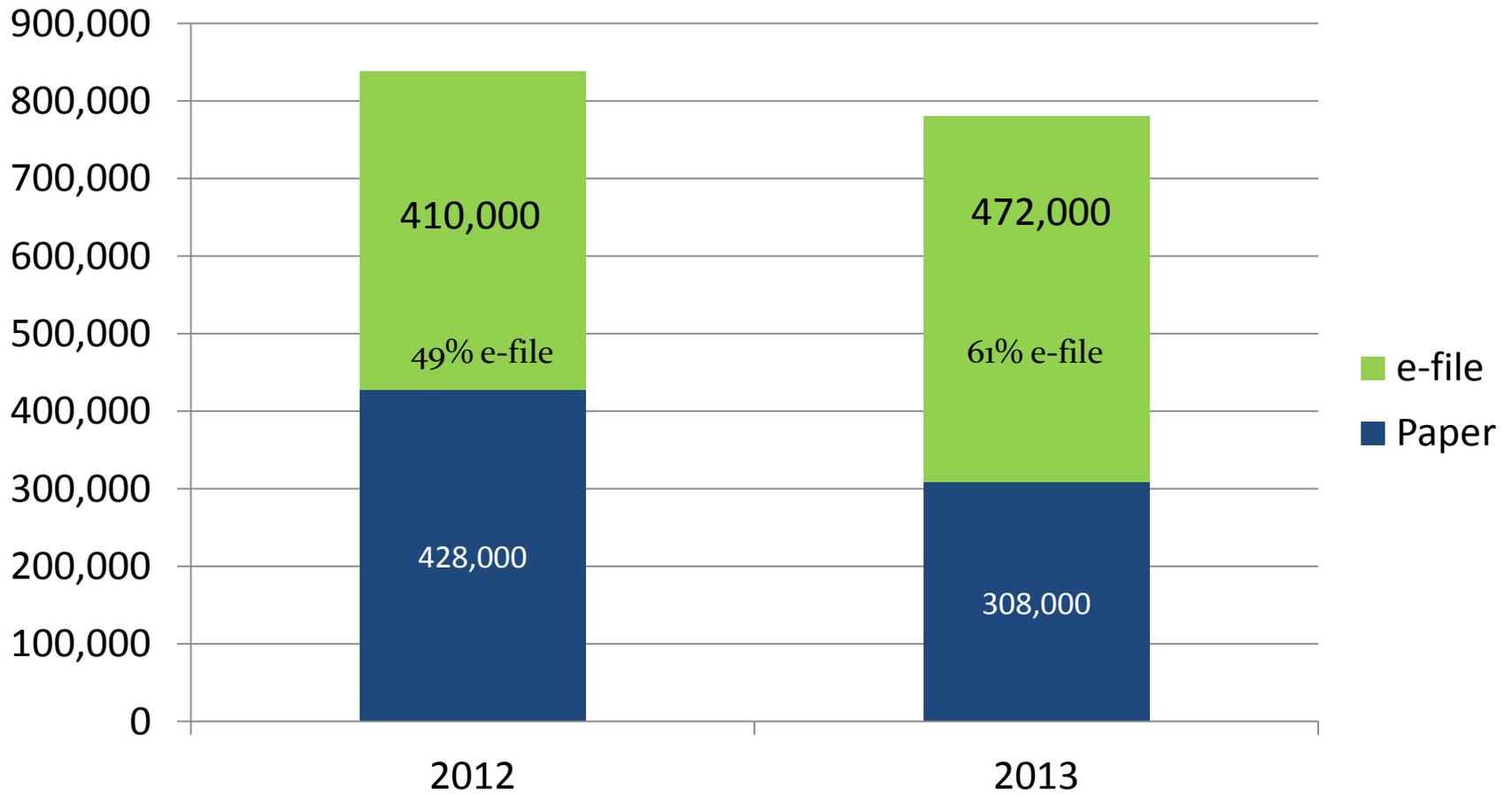
The Filing Services Bureau conducted two 30 minute webinars on Power of Attorney and the impacts of Proposition 30, assisting over 400 taxpayers and tax professionals. The Filing Services Bureau has five more webinars planned through 2013 to assist taxpayers with notices and self help. Recorded webinars are now also available on the Franchise Tax Board's News and Events page for "on demand" access.

FILING SEASON UPDATE  
BOARD MEETING  
JUNE 25, 2013

# Personal Income Tax Returns



# Business Entity Returns



# Refunds

## PIT

- 9.6 Million refunds issued
- \$8.0 Billion
- Average Refund = \$834

## BE

- 62,000 refunds issued
- \$569 Million

# Payments

## PIT and BE combined

- ❑ \$27.5 Billion total payments received
- ❑ \$18.9 Billion electronic payments
- ❑ Two largest deposit days
  - ❑ \$2.66 Billion and \$2.32 Billion
- ❑ 72% of volume of payments made by paper compared to 75% last year

# Return Processing

## Imaging returns

- 26,500,000 pages scanned



## Image cash letter (ICL)

- 361,000 checks
- \$437 Million bank deposits



# CalFile Enhancements

## CalFile – Application changes

- ❑ Register for an account
- ❑ Import Data from FTB's accounting system
- ❑ Save Partially Completed Return
- ❑ Email Confirmation

# CalFile – Account Registration

## Create a Free Account

Individuals

Tax Professionals



### CalFile Deluxe with Data Import

You must have information from a California tax return filed in the last five years.

Create Account



### CalFile Basic

You have never filed or don't have information from a California tax return filed in the last five years.

Create Account

# CalFile – Import Data



State of California  
Franchise Tax Board

## Import

\* Required field

We can provide information from [our records](#) to help you complete your return. You must review all information we provide and, if necessary, update it on your return.

If you are filing a joint return, privacy policies do not allow us to import some of your spouse's/RDP's current information.

If you decide to change your selection after you continue from this page, you must exit CalFile and start over.

\* Do you want to use import?

Yes  No

[Continue](#)

[Back](#)

[Exit CalFile](#)

[Back to Top](#)

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# CalFile – Save Information

 State of California  
Franchise Tax Board

## Mailing Address and Phone Number

\* Required field

This is a foreign address

\* **Street Address**  
123 Main

**Apartment or Suite Number**  
(Numbers or letters only. Do not include "APT" or "STE")

**Additional Address**  
[Private Mailbox Number or Care Of](#)

\* **City**  
Sacramento

\* **State**  
CA

\* **ZIP Code**  
95827

**Phone Number**  
( 555 ) 555 - 5555

[Exit CalFile](#)

Session expires in 19:21.

# CalFile – Email confirmation

State of California  
Franchise Tax Board

[CA.GOV](#)

## File Your Tax Return

Your tax return is ready to be filed.

Read this Consent to Disclosure statement.

By transmitting my return electronically to the FTB, I consent to receiving communications electronically from the FTB relating to the status of my return, including an acknowledgment of receipt of transmission, an indication of whether or not my return is accepted, and, if rejected, the reason(s) for the rejection. By submitting my tax return electronically, I consent to the disclosure to the FTB of all information pertaining to my use of this system, including the Internet Provider address.

I am transmitting my return electronically to the Franchise Tax Board (FTB). I acknowledge that I have reviewed and printed my return for my records, printed and signed Form FTB 8453-OL, and read and agreed to the FTB "Consent to Disclosure" on this screen and, if applicable, the "Electronic Funds Withdrawal Consent". **Under penalties of perjury under the laws of the state of California, I declare that I have examined my 2012 California income tax return, including any accompanying statements and schedules, and that, to the best of my knowledge and belief, the information is true, correct, and complete.** By submitting my return electronically to the FTB, I declare that the above statements are true and correct.

### Electronic Confirmation

The next screen will show confirmation that you filed your return.

If you want an email confirmation, provide your email address. We **do not** include a copy of your tax return or any confidential information.

[Email Address](#)

**Re-enter Email Address**

After you click File Tax Return, you cannot make changes.

[Exit CalFile](#)

Session expires in 18:21.

# CalFile – Email confirmation

**From:** [FTB CalFile](#)  
**To:** [Smithsonian, Sam@Yahoo.com](#)  
**Subject:** Confirmation 2012 California Tax Return Filed  
**Date:** Saturday, December 29, 2012 8:34:17 PM

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Your 2012 California tax return has been filed.

Smithsonian

12/29/2012 8:33:23 PM

Confirmation Number: 11001526399992

A copy of your return is available through 12/15/2014. Log in on our website [ftb.ca.gov](http://ftb.ca.gov) and use the CalFile service.

## **Record Keeping**

Keep a copy of your tax return and the records that verify income, deductions, adjustments, or credits reported on your return for four years from the date the return was filed or for four years from the due date of the return, whichever is later.

## **Help Us Improve CalFile**

Take our short, anonymous [CalFile Survey](#).

## **Like CalFile on Facebook**

[Tell your friends](#) you filed your California tax return using CalFile for free.

We distributed this message automatically, please do not reply.

# CalFile – Taxpayer comments

I love the new system. I love the clock at the bottom that tells me how long I have to complete each page. I also love that I can save my work and continue later. I really love that I now can receive an email confirmation and also review my taxes online after I have submitted them.  
(CalFile user)

# CalFile – Taxpayer comments

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Great improvements. Love the new import feature. Many thanks. I will continue to recommend to friends and family to file at CalFile. (CalFile user)

# Taxpayer + Tax Practitioner Services Contact Center

## Primary Contact Center

- Answered 529,000 calls (49% of calls received)
- Average wait time was 10 minutes

## Tax Practitioner Hotline

- Answered 84,000 calls (83% of calls received)
- Average wait time was 8 minutes

# Taxpayer + Tax Practitioner Services Contact Center

## Live Chat

- Over 83,000 Live Chat conversations



- Live Chat User:

“This service was very helpful! I was able to receive answers to all of my questions quickly and efficiently without waiting on a phone. Thank you.”

# Volunteer Income Tax Assistance and Tax Counseling for the Elderly

## VITA and TCE

- Assistance available January 18 – April 15
- Completed over 518,000 returns
- Assisted at approximately 1,200 locations throughout the state



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> Questions?

Thank you