

STATE OF CALIFORNIA
FRANCHISE TAX BOARD
LEGAL DIVISION MS A260
P.O. Box 1720,
Rancho Cordova, CA 95741-1720

**NOTICE OF MODIFICATION TO TEXT OF PROPOSED REGULATION
SECTION 18416.5 IN TITLE 18, CALIFORNIA CODE OF REGULATIONS
RELATING TO THE ALTERNATIVE COMMUNICATION METHOD**

On June 16, 2015, the Franchise Tax Board (FTB) published a Notice of Modification to Text of Proposed Regulation section 18416.5 in Title 18, California Code of Regulations relating to the alternative communication method. There was a typographic error in the language of the modified regulation text. In section 18416.5(b)(5), the second sentence published on June 16, 2015, read as follows:

"If FTB discovers that the delivery of ~~any~~ notification sent via a taxpayer's chosen PECM has failed, FTB may make one or more delivery attempts to re-deliver a notification using the PECM to the TPEA."

However, the sentence should have been modified to require FTB to make at least one re-delivery attempt. Thus, the sentence should have read:

"If FTB discovers that the delivery of ~~any~~ notification sent via a taxpayer's chosen PECM has failed, FTB ~~may~~ shall make one or more delivery attempts to re-deliver a notification using the PECM to the TPEA."

Therefore, this notice and updated modified regulation text with the correction identified above, is being made pursuant to the requirements of Government Code section 11346.8 (c), and section 44 of Title 1 of the California Code of Regulations. FTB hereby gives notice of changes made to proposed regulation section 18416.5, pertaining to the alternative electronic notification method. No hearing was requested during the original public comment period. The changes to the proposed regulation language are in response to comments by the Office of Administrative Law (OAL) for clarification of provisions pertaining to delivery

failure of a notification under proposed regulation section 18416.5(b)(5) and FTB's response in relation to those delivery failures. In addition, another modification removes the effective date in proposed regulation section 18416.5(d), as FTB anticipates a later date for the implementation of the alternative communication method.

A Notice of Proposed Rulemaking was published in the California Regulatory Notice Register on February 27, 2015 in accordance with section 11346.4 of the Government Code, providing notice to the public of FTB's intention to consider the adoption of section 18416.5 in Title 18 of the California Code of Regulations.

If you have any comments regarding the proposed changes in this notice or the notice published on June 16, 2015, the FTB will accept written comments between June 18th and July 3, 2015. All written comments must be submitted to FTB no later than 5:00 p.m. on July 3, 2015, and addressed to:

Nancy Parker
Legal Division MS A260
Franchise Tax Board
P.O. Box 1720,
Rancho Cordova, CA 95741-1720
Email: Nancy.Parker@ftb.ca.gov

All written comments received by July 3, 2015, which pertain to the indicated changes will be reviewed and responded to by FTB's staff as part of the compilation of the rulemaking file. Please limit your comments to the proposed modifications to the text.