



## Mandatory e-file Tax Law Information for Practitioners

The state receives millions of paper tax returns a year that qualify for e-file (electronic filing), which saves processing costs for the state and improves tax return accuracy rates. California State Legislature passed a law, commonly referred to as “Mandatory e-file.”

### Mandatory e-file Law

The law requires tax preparers who prepared more than 100 California individual income tax returns using software during the previous year to e-file all of their clients’ current year returns. Tax preparers who don’t comply may face penalties.

If a taxpayer does not want their tax return e-filed, they can opt out of this requirement. Tax preparers will not be penalized if a taxpayer chooses not to e-file and signs our e-file form, FTB 8454, *Opt-Out Record for Individuals*, for your tax preparer’s records. Go to [ftb.ca.gov](http://ftb.ca.gov) and search for **opt-out** to download this form.

### e-file Benefits

Millions of taxpayers chose to e-file last year for these reasons:

- ✓ Fast – tax refunds can be issued within 7-10 days.
- ✓ Convenient – taxpayers can e-file now and pay later. To avoid penalties, taxpayers need to pay by the due date. For more information, go to [ftb.ca.gov](http://ftb.ca.gov) and search for due date.
- ✓ More accurate – the error rate for e-filed tax returns is less than one percent; for paper returns, it is 10 percent.
- ✓ Secure – we receive most returns through industry-standard secure Internet transmission that uses 128-bit Secure Socket Layer encryption.
- ✓ Reduces – paper, postage, and trips to the post office.
- ✓ Provides peace of mind – you receive proof that we received your tax return.

Saves state processing costs to:

- ✓ Receive, open, and sort mail.
- ✓ Manually enter your tax return information into our system.

### Internet and Telephone Assistance

Website: [ftb.ca.gov](http://ftb.ca.gov)  
Telephone: 800.852.5711 from within the United States  
916.845.6500 from outside the United States  
TTY/TDD: 800.822.6268 for persons with hearing or speech impairments