

FTB NOTICE

California Franchise Tax Board - Legal Division



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FTB NOTICE 93-6

July 7, 1993

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**Subject: Statutory Changes made by SB 3 (Stats 1993, Ch. 31)
FTB Notices 93-2 and 93-3 Withdrawn**

Statute of Limitations on Assessments and Refunds

FTB Notice 93-2 (February 23, 1993) and FTB Notice 93-3 (March 10, 1993) explained that certain statutory changes made by SB 1684 (Stats. 1992, Ch. 1295) applied to all open years, regardless of taxable or income year or when the return was filed. Uncodified Act Section 81 of SB 3 (Stats. 1993, Ch. 31) provides generally that those changes apply only to returns filed for taxable or income years beginning on or after January 1, 1992. For taxable or income years beginning before January 1, 1992, Section 81 also provides that the law in effect immediately prior to the enactment of SB 1684 shall generally apply to determine the timeliness of refund claims, but that additional assessments barred solely by the provisions of SB 1684 shall remain barred.

Accordingly, FTB Notices 93-2 and 93-3 have been superseded and are therefore withdrawn.

Federal Action Provisions

SB 571 (Stats. 1992, Ch. 335) made changes to state reporting requirements of federal changes or corrections, and to statute of limitations periods for assessments and refunds following federal changes or corrections. As enacted, the bill omitted language allowing refund claims to be filed after a final federal determination, and did not specify an operative date.

The refund issue is addressed by new §19311, which makes technical changes to the language of former §§19053.6 and 26073.4, providing generally that for any federal determination that becomes final on or after January 1, 1993, a refund or credit resulting from that adjustment may be claimed within two years from the date of the final federal determination.

Uncodified Act Section 80 of SB 3 resolves the operative date uncertainty by specifying that the various amendments made by SB 571 shall apply only to federal audit determinations that become final on or after January 1, 1993.

For federal determinations that became final before January 1, 1993, Section 80 also provides that the law in effect immediately prior to the enactment of SB 571 shall apply.

NOTE: ((---)) = Indicates obsolete information.

DRAFTING INFORMATION

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