

GLOSSARY	
<u>A</u> <u>B</u> <u>C</u> <u>D</u> <u>E</u> <u>F</u> <u>G</u> <u>H</u> <u>I</u> <u>J</u> <u>K</u> <u>L</u> <u>M</u> <u>N</u> <u>O</u> <u>P</u> <u>Q</u> <u>R</u> <u>S</u> <u>T</u> <u>U</u> <u>V</u> <u>W</u> <u>X</u> <u>Y</u> <u>Z</u>	
	<u>A</u>
Abatement	A partial or complete cancellation of a previously established tax and/or penalty.
Account (Acct)	The record of a taxpayer's return, assessment information, and payments. Accounts should have the most current available address information, collection status, and entity information.
Account Number	For personal income tax (PIT), account number is a nine-digit social security or ten-digit identification number.
Account Receivable	The portion of the account containing a record of charges and payments.
Accounting Period	For personal income tax (PIT) or Business entity filers, this is the period of time that the taxpayer uses for reporting income in accordance with his/her/its record; i.e., fiscal year or calendar year.
Accuracy Related FTB Penalty	FTB may impose the Accuracy-Related Penalty on the portion of any underpayment of tax that

	should be shown on a return. (This penalty is primarily used in the Audit division).
Activity	A transaction that created or changed the file.
Adjusted Gross Income (AGI)	The total of all income from any source less any adjustments to gross income.
Administrator	Administrators are legal representatives that act in a fiduciary capacity of a deceased taxpayer's estate.
Agency Offset	The Interagency Offset Program allows the department to offset refunds to other state agencies for outstanding liabilities with that agency. The taxpayer will be sent a Notice of Tax Return Change (TRC) to inform him/her of the Agency Offset.
Aiding and Abetting by a Preparer Penalty	A penalty will be imposed for aiding and abetting understatement of tax liability. The penalty will be determined in accordance with Section 6701 of the Internal Revenue Code.
AKA	Also known as. A person may be known by or using multiple names.
Allocation (TI System)	A payment amount or part of a payment. A payment can be split and allocated to different taxpayers or tax years.

Amended Return	Return used by taxpayers when revising previously submitted forms; 540, 540A, 540EZ, 540NR, 100, or 100S (commonly known as 540X or 100X).
Amendment	Any change made, or proposed to be made, in a legislative bill, motion or clause, by adding, altering, substituting or deleting specific language.
Amnesty	The program provided an opportunity for individuals and business entities to file original or amended tax returns and pay tax (sales tax, use tax, income tax and business entity tax) and interest owed for any tax year beginning before January 1, 2003, without certain penalties or fees, or criminal prosecution from the FTB and the Department of Tax and Fee Administration (CDTFA).
ARCS	Accounts Receivable Collection System – after issuing the first notice, TI refers accounts with unpaid balances to ARCS. After an initial holding period of 30 to 45 days, ARCS evaluates and assigns a risk and yield level to each account. ARCS reviews each account to determine what collection action should be carried out.
Assignment for the Benefit of Creditors	A General Assignment for the Benefit of Creditors is a voluntary and "arm's length" transaction which provides a speedy, orderly and equitable liquidation of an entity's assets and subsequent distribution to its creditors. A General Assignment does not require court consent in California, nor does it require the consent of creditors. It is

	similar to a Chapter 7 liquidation process, but is generally quicker and much less expensive and therefore generally provides a larger distribution to all creditors. The basic process in a General Assignment ("Assignment") is that the entity (assignor) turns over its assets to a third party (assignee) who is responsible for liquidating the assets and settling with creditors. The Assignee marshals the assets of the entity, liquidates physical assets such as machinery, equipment, furniture, etc. and collects accounts receivable. A pro rata distribution is then made to unsecured creditors of any or all monies remaining after all priority parties such as secured lenders, lien holders, etc. have had their interest satisfied.
Assembly Bill (AB)	A proposed law, introduced by the lower house of the California Legislature, i.e., The Assembly, during a session for consideration by the Legislature, and identified numerically in order of presentation.
Assessment	A liability either based on a return filed by a taxpayer, or based on FTB's interpretation of tax law or information received from other sources.
Assignee	A person to whom an assignment of property is made; grantee.
Assignor	A person who assigns property to another; grantor.
Automatic Call Distributor (ACD)	The ACD is a telephone system that distributes incoming calls among line agents and provides detailed accounting reports on all call activity. All

	incoming calls go through a call director, and the calls are then routed to specific agents based on the incoming telephone number and selection made by the taxpayer in the call director.
	<u>B</u>
Bankruptcy	A person or entity may file bankruptcy under one of several chapters of the federal bankruptcy code (11 U.S.C.).
Bankruptcy Code	A set of federal statutes that apply when a person or entity has filed for bankruptcy or has had a bankruptcy case commenced against the person or entity. The Bankruptcy Code (11 U.S.C.) is the result of legislation passed by Congress and signed by the President.
Bankruptcy Closed	The bankruptcy case is closed and the bankruptcy judge will generally make no further determinations in the bankruptcy case.
Bankruptcy Dismissal	A dismissal is generally cancellation of a bankruptcy. A dismissal can occur where a debtor fails to comply with the Bankruptcy Code or bankruptcy court orders, a debtor fails to comply with a confirmed plan or a debtor voluntarily requests dismissal of the bankruptcy case. Generally, upon dismissal, the debtor loses the protections of the Bankruptcy Code.

Bad Check	Any check received by FTB not honored by the payor's bank for reasons such as insufficient funds, closed account, no signature, etc.
Balance Due	The amount due after all credits and remittance amounts (payments received) have been applied to an account.
BE	Business Entities
BETS	Business Entities Tax System - The computer system designed to capture, update, and store business entity information.
BID Process	A process handled through the FTB Business Services Section whereby a potential contractor will reply to a solicitation for the purchase of goods or services with FTB.
Billing Cycle	A computer program that automatically generates and controls notices sent to the taxpayer when an account shows a balance due of more than \$2.00.
Billing Notice	A letter sent as part of the billing cycle. The billing notice is generally a Demand for Payment.
Billing Number	A unique automated number assigned to each paper billing or levy produced by FTB.

	<u>C</u>
Case Management (CM)	An enterprise-wide application that enables users the ability to view correspondence images, take actions on correspondence, categorize assignments/workloads, associate entities to assignments, route assignments to other business areas or employees within the department, and provide inventory and status reports.
Certified Copy	A copy of a court document that the court clerk declares, in writing is a true and correct copy of the original.
Chattel Paper	A writing or writings that evidence both a monetary obligation and a security interest in or a lease of specific goods.
Child and Dependent Care Credit (CDC)	A refundable tax credit that is computed as a percentage of the federal child and dependent care credit. The credit is allowed for certain household and dependent care expenses the taxpayer incurred during the year that allowed the Taxpayer to seek or maintain gainful employment. Tax years 2011 and after, this credit became non-refundable.
Civil Remedy	The remedy afforded by law to a private person in civil courts in so far as the person's rights have been injured by a wrongdoing.

Collection Advisory	The CAT Team provides legal analysis and Evaluation services for the benefit of Departmental and ARM Division programs. Aside from being experts in collection law and policy analysis, CAT provides legal support and representation on collection issues and actions.
Collection and Filing Enforcement Fee	A fee charged a taxpayer when collection action must be taken to resolve a delinquent tax liability. The fee is a reimbursement to the State of California for costs incurred when collection action must be taken to obtain payment. See the Collection Cost Recovery Fee Manual for more information.
Collection File (CF)	A file that provides information on billing and collection activity history for individual taxpayers.
Command ID (CID)	A two or three character code used to access the displays/screens in TI.
Command Line	A line that can be displayed at the bottom of the TI screen. The line consists of four input fields that are used to request information stored in TI.
Complaint	A written document in which the person commencing a court action names the persons or entities from whom relief is requested, states the basis of the requested relief, and states the desired relief.
Confidential	Information that is available to a collector

Information	(e.g. tax) returns), to be released to anyone other than the party, or party's representative that the information pertains.
Contempt	A remedy for disobeying a court order.
Conversion	A process of moving information to TI.
Continuous Order to Withhold (COTW)	Revenue and Taxation Code section 18671 permits Franchise Tax Board (FTB) to levy upon payments due a taxpayer by issuing a Continuous Order to Withhold (COTW) that remains in effect for one year. These orders are, for example, issued for self-employed individuals who contract for their services. A COTW for an individual attaches 25% of any payment that is due to the taxpayer for the duration of one year. A COTW for an entity attaches 100% of any payment that is due to the taxpayer for the duration of one year.
Contract Voidability	During or after reviving the taxpayer to good standing the taxpayer may request relief from contract voidability. Clarification of the penalty will be given when contract void is requested.
CPM	Collection Procedure Manual
Credit (CR)	This may be a payment, abatement, or a credit adjustment.

Credit Transfer	The application of credits from either one taxpayer to another, or from one income year to another.
Creditor	One to whom the debtor owes money.
Current Year (CY)	The tax year presently being processed.
Customer Service Number (CSN)	The CSN was a 4-digit number assigned by FTB to individual taxpayers with a TI account. CSNs expired each year and new CSNs were created for the new year during TI annual changes (normally the first business day of the new year). We assigned CSNs to taxpayers on an individual basis. Taxpayers who are married/RDP filing jointly were each issued a separate CSN.
	<u>D</u>
Date Filed	Date indicating when the return was received by FTB.
Date Received	Date indicating when a document was received by FTB.
DBA	Doing business as
Debit (DR)	The balance due on an account resulting from a return or an assessment. A transaction that offsets or cancels a credit is also a debit.

Decedent	A deceased person
Declaration of Trust	A statement made by the title holder of a piece of property that the property is being held for the benefit of another person. The property is placed in a trust, with a trustee overseeing the assets.
Deed of Trust	A deed of trust or trust deed is a deed wherein legal title in real property is transferred to a trustee, which holds it as security for a loan (debt) between a borrower and lender. The equitable title remains with the borrower.
Default	Failure of a defendant to file an answer or other respond in a court case within a certain number of days after being served with a summons or complaint.
Default Judgment	Decision made by the court when the defendant fails to answer and judgment is entered in favor of the plaintiff.
Delinquent Return	An original return filed after the original or extended due date.
Delinquent Penalty	An amount assessed for failure to file a personal income tax return by the due date or extended due date.

Delinquent Penalty for Limited Liability Companies (LLC)	If an LLC's income tax return is not filed by the extended due date, FTB will impose a penalty. After FTB applies timely payments and credits, FTB will charge a five percent (5%) monthly penalty on the fee and/or on the Non Consenting Nonresident (NCNR) members' tax indicated on the return, not to exceed 25%. FTB will impose the penalty from the original return due date.
Delinquent Penalty for Partnerships and Corporations (Late Filing)	If an LLC's income tax return is not filed by the extended due date, FTB will impose a penalty. After FTB applies timely payments and credits, FTB will charge a five percent (5%) monthly penalty on the fee and/or on the Non-Consenting Nonresident (NCNR) members' tax indicated on the return, not to exceed 25%. FTB will impose the penalty from the original return due date.
Demand Penalty	Penalty assessed for failure to respond to notice of demand.
Demand Penalty – Failure to File Return	If a demand to file a taxpayer or entity's income tax return is issued and the return is not filed, FTB will impose a penalty of 25% of the tax liability before applying any payments or credits. For LLCs, the penalty is 25% of the LLC annual tax and LLC fee shown on the return (without regard to timely or refundable credits).
Demand Penalty – Failure to Furnish Information	If a demand to file a taxpayer or entity's income tax return or provide FTB with information is issued and the taxpayer or entity does not comply, FTB will impose a penalty of 25% of the tax liability before applying any payments or credits. The LLC penalty is 25% of the LLC annual

	tax and LLC fee shown on the return (without regard to timely or refundable credits).
Dependent	In general, an individual other than the taxpayer or spouse, who is supported by the taxpayer and either 1) related to the taxpayer, or (2) was a member of the taxpayer household for the entire year. Also, the taxpayer must have provided more than 50% of the person's total support for the year, the person cannot have filed a joint return, and the person's gross income did not exceed the gross income threshold .
Dependent Exemption Credit	A credit against tax that may be claimed for each qualified dependent.
Discharge	When a debt is uncollectible or is not economical to pursue (i.e., the amount of the debt does not justify the cost of its collection), FTB may be discharged by the Controller from accountability for the collection of such debt. The authority to be discharged from accountability falls under Government Code §§12433-12437. Then FTB has been so discharged, the debt is removed from the active accounts receivable file. Subject to several exceptions, the taxpayer is still responsible for the discharged debt and accruing interest.
Disposable Income	The earnings that remain after subtracting from gross earnings deductions a state or federal law requires an employer to withhold. Other payroll deductions (e.g. 401K contributions, union dues, health care, voluntary deductions, etc.) are considered part of the disposable income and should be considered (added back in) when

	calculating the 25% withholding order by EWOT or COTW.
Document	Any correspondence, tax forms, or returned billings that accompany payments.
Document Locator Number (DLN)	An 8-digit number used to identify the type of tax return or other documents filed. The first 2 or 3 digits indicate the return sort and the color of the ink indicates the process year. If a return has a remittance other than cash, the same number is stamped on the check or money order. On transcripts and the video display the DLN will have the process year added to the front.
Due Process	Procedural due process is the course of formal proceedings (such as legal proceedings) carried out regularly and in accordance with established rules and principles. Due process is best defined as giving notice. Due process ensures that FTB provides notice prior to taking legal actions and gives opportunity to the taxpayer to present any claims and/or defenses. As long as the department mails a notice to the last known address supplied by the debtor, due process, as to notice, has been provided.
Duplicate Return	An exact copy of the previously filed tax return submitted by the taxpayer.
	<u>E</u>

Earnings	Any money (whether called wages, salary, commissions, bonuses, vacation pay, or anything else) that is paid by an employer to an employee for personal services.
Earnings Withholding Order (EWO)	A levy on a debtor's earnings for balances owed due to non-tax liability. The levy shall not exceed 25% of the debtor's disposable earnings.
Earnings Withholding Order for Taxes (EWOT)	A levy on a taxpayer's earnings not to exceed 25% of the disposable earnings (The department levy maybe in conjunction with other withhold orders; i.e., child support, IRS, etc. The total of the levies must NOT exceed the 25%).
EDD	Employment Development Department
Effective Date	The date when payments, assessments and transactions become effective. This is especially important for the computation of interest.
Electronic Filing (ELF)	The electronic (computer to computer) transmission of tax return information from the preparer/transmitter computer to the receiving processor at FTB. Electronic Filing eliminates most manual processing and data entry.
Electronic Fund Transfer (EFT)	An electronic installment agreement method for instructing financial institutions to transfer money from one account to another, eliminating use of paper checks.

Electronic Fund Transfer EFT Penalty	Once a taxpayer remits an estimated tax or extension payment in excess of \$20,000 or has a total tax liability in excess of \$80,000 in any taxable year beginning on January 1, 1995, it must make all future payments, regardless of the taxable year or amount, through an EFT. Payments made by other means will result in a penalty of ten percent (10%) of the amount paid.
Encumbrance	A claim, lien, or liability against real property.
Entity	Refers to the taxpayer's name, address and Social Security Number (SSN), portion of a tax return or an account.
ERISA	The Employee Retirement Income Security Act of 1974, or ERISA, protects the assets of millions of Americans so that funds placed in retirement plans during their working lives will be there when they retire. ERISA is a federal law that sets minimum standards for pension plans in private industry. For example, if an employer maintains a pension plan, ERISA specifies when an employee must be allowed to become a participant, how long they have to work before they have a non-forfeitable interest in their pension, how long a participant can be away from their job before it might affect their benefit, and whether their spouse has a right to part of their pension in the event of their death. Most of the provisions of ERISA are effective for plan years beginning on or after January 1, 1975. ERISA does not require any employer to establish a pension plan. It only requires that those who establish plans must meet certain minimum standards. The law generally does not specify how much money a participant must be paid as a benefit. ERISA does the following:

	<p>Requires plans to provide participants with information about the plan including important information about plan features and funding. The plan must furnish some information regularly and automatically. Some is available free of charge, some is not. Sets minimum standards for participation, vesting, benefit accrual and funding. The law defines how long a person may be required to work before becoming eligible to participate in a plan, to accumulate benefits, and to have a non-forfeitable right to those benefits. The law also establishes detailed funding rules that require plan sponsors to provide adequate funding for your plan. Requires accountability of plan fiduciaries. ERISA generally defines a fiduciary as anyone who exercises discretionary authority or control over a plan's management or assets, including anyone who provides investment advice to the plan. Fiduciaries who do not follow the principles of conduct may be held responsible for restoring losses to the plan. Gives participants the right to sue for benefits and breaches of fiduciary duty. Guarantees payment of certain benefits if a defined plan is terminated, through a federally chartered corporation, known as the Pension Benefit Guaranty Corporation. (See section 7.2.2.1 Order To Withhold Personal Income Tax or 5.2.1.8 Vacation Trusts.)</p>
Erroneous Intercept	<p>There are two types of erroneous intercepts:</p> <ul style="list-style-type: none"> • Intercepting Agency Error – The taxpayer states the agency requested the intercept in error. That is, the taxpayer believes they did not have a liability with the requesting agency for the intercept and/or the amount of the intercept. • FTB Error – Due to the timing of the intercept, funds that were actually not available were intercepted.

Erroneous Refund	A refund issued in error.
Estimate Base	The amount on which an estimate requirement for personal income tax is based. The estimate base is the taxpayer's computed tax liability, less tax on preference income and SDI. The estimate requirement is the lesser of 100% of prior year's tax or 80% of current year tax, less withholding, and preference tax. For tax years 2003 and after, the estimate requirement is the lesser of 100% of the prior year's tax or 90% of the current year's tax.
Estimate Penalty	The amount imposed when a taxpayer has NOT Paid required estimate tax payments in timely installments.
Estimated Tax	Personal income tax (PIT): If your income is not subject to withholding, you are required to make timely, quarterly payments as you earn the income.
EWO	Earnings Withholding Order (used in NonTax)
EWOT	Earnings Withholding Order for Taxes
Executor	The person appointed by a testator to execute a will, including paying debts and distributing assets.

Extension of Time to File	A legally specified amount of additional time past the original due date granted to taxpayers to file their tax returns. California grants an automatic 6 month extension to file for individual taxpayers. An extension to file is not an extension to pay.
Extortion	The practice of obtaining something, especially money, through force or threats.
	E
Failure to Disclose Reportable and Listed Transaction Penalty	These penalties are imposed for failing to meet the disclosure requirements of reportable and listed transactions. The penalty amount for each failure to disclose a reportable transaction is \$15,000. The amount for a failure to disclose a listed transaction is \$30,000.
Failure to File Education Individual Retirement Account (IRA) Report Penalty	A penalty of fifty dollars (\$50) shall be imposed for each failure, unless it is shown the failure is due to reasonable cause.
Failure to File IRA Report Penalty	A penalty of fifty dollars (\$50) shall be imposed for each failure, unless it is shown the failure is due to reasonable cause.
Failure to Furnish	Imposed for failure to furnish information or file a return by a specified date after the department has sent a written notice and demand.

Federal Employer Identification Number (FEIN)	A 9-digit number assigned to an employer by the Internal Revenue Service.
Federal Treasury Offset Program	FTB is authorized to refer a past-due California income tax debt to the Treasury Offset Program administered by the Bureau of Fiscal Services (BFS), a bureau of the U.S. department of Treasury. Any federal income tax refunds owed to the debtor will be offset to satisfy the referred debt.
FE NPA	Filing Enforcement Notice of Proposed Assessment. An assessment of tax for failure to file a tax return upon legal request and/or demand.
Fictitious Business Name	Any name other than the corporate name stated in its articles of incorporation.
Fiduciary	One holding a fiduciary relation or acting in a fiduciary capacity, including a trustee of a trust, an executor under a will, an administrator of a probate or a personal representative.
Field Assigned (Collections)	A case that is assigned to an FTB district (field) office.
Filing Enforcement (FE)	A program to enforce the filing of tax returns. Information is received from various sources indicating that income was earned but FTB has no

	record of a return on file. Most FE's are generated through the INC system.
Filing Status	One of five statuses on an individual tax return that a taxpayer must select in order to determine the correct tax rate to be applied (Single, Married/RDP filing jointly, Married/RDP filing separately, Head of household or Qualifying widower).
Financial Evaluation	Assists FTB employees in assessing the financial position of the taxpayer within a specified timeframe. It will provide data for determining if there is a partial, temporary, permanent hardship, or facts that justify an I/A.
Financial Institution	A company or legal entity in business for the purpose of exchanging, loaning, or investing money.
Fraudulent Transfer	A transfer of a taxpayer property made with intent to defraud the taxpayer's creditors or for which the taxpayer receives less than the transferred property's reasonable equivalent value while the taxpayer is insolvent.
Fully Paid Returns	Returns received with payments equaling the self-assessed tax. Payments can be a combination of remittance with the return and estimate payments/transfers claimed as credits.
Form 100 and Form 100s	California Corporation Franchise or Income Tax Return

Form 100w	California Corporation Franchise or Income Tax Return – Water’s Edge Filers
Form 540	California Resident Income Tax Return (long form)
Form 540a	California Resident Income Tax Return (short form)
Form 540 2ez	California Resident Income Tax Return for Single and Joint Filers With No Dependents
Form 540x	Amended Individual Income Tax Return
Form 540nr	California Nonresident or Part-Year Resident Income Tax Return
Form 541	California Fiduciary Income Tax Return
Form 565	Partnership Return of Income
Form 568	Limited Liability Company Return of Income
Form 1099-G	Statement for Recipients of Certain Government Payments. If a taxpayer received a state or local income tax refund during the previous tax year, the taxpayer may receive a Form 1099-G from

	FTB. This income is reported to IRS by FTB via magnetic tape.
Form 1099-Int	Statement for Recipients of Interest Income. This form shows the interest received by a taxpayer during the tax year. FTB issues this statement to taxpayers who were paid interest during the year. This income is reported to IRS by FTB via magnetic tape. Form 1099-INT is used by taxpayers when they file their federal income tax report.
Franchise Tax Board (FTB)	In 1950, the Office of the Franchise Tax Commissioner was abolished and the FTB was created. Board Members are the State Controller, the Director of Finance and the Chairman of the State Board of Equalization. The chief administrative official is the Executive Officer of the FTB.
Functional Area	ARCS uses the functional area to group cases within a location that share similar collection characteristics. Example: A case with a bankruptcy debtor will reside in the Bankruptcy Functional Area (BA).
	<u>G</u>
Garnishment	A court order directing that money or property of a third party (usually wages paid by an employer) be seized to satisfy a debt owed by a debtor to a plaintiff creditor.

General Lien	Tax liens of FTB are general liens because they attach to all property and rights to property whether real or personal, tangible or intangible, including all after acquired property and rights to property, belonging to the taxpayer and located in this state.
Gross Income	All income received in the form of money, goods, property, and services from all sources that are not exempt from tax. Gross income does not include any adjustments or deductions.
Gross Receipts	Gross receipts are the gross amounts received by the organization during its annual accounting period from all sources without reduction for any costs or expenses such as cost of goods or assets sold, cost of operations, or expenses of earnings raising or collecting amounts.
	H
Hard Copy	An exact printout of on-line display.
Head of Household (HOH)	HOH is a filing status available for taxpayers with dependents who meet legal requirements. A taxpayer is entitled to the HOH filing status only if the taxpayer is unmarried or qualifies to be considered unmarried on the last day of the tax year.
Homeowner Exemption	A predetermined dollar amount homeowners can apply for with county assessors. It is a reduction in the assessed value of a property (owner's

	principal place of residence) and results in a lower annual property tax bill.
	<u>I</u>
IA Functional Area	PIT ARCS IA Flows
IA Narratives	Definition of each PIT Installment Agreement functional Area in ARCS.
IA82	IA Active: A functional area state in ARCS where the installment agreement is active.
IA84	Pending Broken Promise: A functional area state in ARCS where the installment agreement has defaulted.
IA88	Additional Liability Call Request: A functional area state in ARCS where the installment agreement has defaulted because an additional liability has been added to the account.
Image Delivery Application Expansion (IDAX)	A web based, view only system that allowed authorized users to view the returns, checks, and documents that made up a transaction processed by the Image Processing and Cashiering System (or IPACS). It also displayed the data captured for the transaction and passed to the accounting systems (TI, BETS, ECOM and ARCS). IDAX began its decommission process on January 1, 2016. Only Withhold at Source forms and payments and

	New Home Credit images are currently viewable in IDAX.
Imaging	The scanning of documents into a file format. Examples include scanning into a computer, microfilm or videotape.
Integrated Nonfiler Compliance (INC)	FTB's nonfiler system was developed and implemented in early 2001 for the 1999 and subsequent tax years. INC replaced the Filing Enforcement program that was maintained on the Mainframe system.
Independent Contractor	A person who contracts to do a piece of work according to his or her own methods and is subject to his employer's control only as it pertains to the end product or final result of the work.
Individual Retirement Account (IRA)	A type of savings account that is designed to help individuals save for retirement and offers tax advantages. Contributions are limited based on the taxpayer's age and type of IRA.
In-Lieu Document	Document identifying various account information to apply money or credit to a given tax year or years.
In-Lieu Transcript	A two-part document identifying account information. It is generated by a user request, or by the automated system.

Installment Agreement (IA)	An I/A allows a debtor who does not have the ability to pay in full an opportunity to satisfy their liability in full through monthly installment payments.
Interagency Intercept	Government Code Section 12419.5 authorizes the State Controller's office to collect money that is due to one state agency by an individual by deducting the amount of credits due to such individual by another state agency. This procedure is called an interagency intercept.
Interagency Offset	A taxpayer refund is paid to another authorized agency or entity.
IRS	Internal Revenue Service
ISCAR	In-State Collection Account Referral. Account with a California address referred to a private collection agency for collection as authorized by Revenue and Taxation Code section 19377.
Involuntary Collection Actions	FTB resorts to involuntary collection action in an effort to collect the outstanding liabilities.
IVR	Interactive Voice Response: An automated system relying on taxpayer telephone input and the responses are programmed pre-recorded messages.
	<u>J</u>

Jeopardy Assessment (J/A)	FTB'S primary consideration for issuing a J/A is whether there is, or will be, a risk of not collecting an outstanding amount due if immediate collection action is delayed. A J/A is immediately due and payable and collection action may be commenced at once.
Jeopardy Withholding Order for Taxes (JWOT)	A levy issued on a taxpayer's wages when a delay might jeopardize the collection of tax. This order attaches immediately to the taxpayer's wages.
Judgment	The determination of a court of the rights and claims of the parties to an action.
	<u>K</u>
Keeper	An ongoing seizure of a taxpayer's cash proceeds for a specific day or days.
	<u>L</u>
Legislative Proposal	A proposal submitted to the Legislature to add, delete or amend existing law.
Levy	To seize or collect money that is due. Including through an OTW, EWOT, EWO (for non-tax) or COTW.

Liability	Amount of tax, penalty, interest or collection costs for which the taxpayer is responsible.
Lien	A charge upon real or personal property for the satisfaction of some debt or duty.
Lien Fee	The fee is assessed when FTB files or records a notice of state tax lien to ensure collection of the balance due on an account.
Lump-Sum Distribution	Single payment of the entire amount due at one time rather than in installments. Such distributions often occur from qualified pension or profits sharing plans upon the retirement or death of a covered employee.
	<u>M</u>
Mainframe	The central processing unit of a computer exclusive of peripheral and remote devices.
Manual Refund	A refund that needs to be manually generated so it can be issued as a result of a credit on a tax year or to a third party (employer, bank, etc.). Generally, these refund requests are forwarded to FTB's Fiscal Unit for processing.
Minimum Tax	All banks and corporations, except specified exempt corporations and limited partnerships, are required to pay a minimum franchise tax for the privilege of doing business in California.

Mission And Values	Our mission is to help taxpayers file timely and accurate tax returns, and pay the correct amount to fund services important to Californians. 5 FTB Value Statements: Lead with Integrity and Inspiration, Bring Our Best, Deliver Excellent Products and Services, Contribute to a Caring Community, and Become Experts at What We Do.
Modification of Order to Withhold	A form used to modify an order to withhold. May be used to modify, reduce, delay, or withdraw the order under the direction of FTB.
MyFTB	An external application that allows taxpayers and tax practitioners the ability to statuses of tax returns, payment statuses, notices, and client lists, submit online protests, and initiate authenticated live chats.
	<u>N</u>
Navigation	A term used to describe how the user moves from screen to screen through the TI or BETS systems.
Need to Know	A protection principle that an individual should have access only to information needed to perform an assigned function.
Net Income	The amount an employee receives after all deductions are subtracted from the employee's gross income.

Next of Kin	Next of kin is the nearest blood relative(s) of a person who has died, including the surviving spouse or anyone who would receive a portion of the estate by the laws of descent and distribution if there is no will.
No Assets Case	In a no asset chapter 7 bankruptcy case, there are no assets available to satisfy any portion of the creditors' unsecured claims.
No Pay Return	Returns received without payments or credits.
Non-Liable Spouse	A spouse of who does not have any responsibility toward the outstanding tax liability. This may be for a single tax year or tax years.
Non-Remit	Any document that is not accompanied by a payment.
Nonresident (NR)	A taxpayer who was a nonresident of CA, but received income which had its source in CA, or was a part-year resident of CA during the tax year.
Notice of State Tax Lien (NSTL) on Cause Action	A NSTL on a Cause of Action is a lien filed in a court action when the taxpayer is a party (generally the plaintiff) to a lawsuit in which the taxpayer may become entitled to property or a money judgment.

Notice of Tax Due (NTD)	Used to increase self-assessed tax or adjust penalty (ies). A taxpayer has no protest or appeal rights except when Renter's Credit is reduced or disallowed.
NPA/FE	A Notice of Proposed Assessment (NPA) informs the taxpayer of FTB intent to assess additional tax, penalties, and interest as the result of an audit, adjustment, or income reported.
NPA/Audit	A Notice of Tax Proposed Assessment issued by Audit to correct the amount of tax on a return. A Notice of Proposed Assessment (NPA) informs the taxpayer of FTB intent to assess additional tax, penalties, and interest as the result of an audit, adjustment, or income reported.
	<u>O</u>
OCA	Outside Collection Agency. Private collection agency contracting with Franchise Tax Board to collect on authorized accounts. This acronym is used to refer to the Contract Collections program.
Offer in Compromise (OIC)	Is for individuals and business entities that do not have, and will not have in the foreseeable future, the money, assets or means to pay their tax liability.
Office of Tax Appeals	The body that hears and makes determinations on (OTA) appeals filed by taxpayers after the FTB has

	denied a protest or claim for refund. Agency that is responsible for sales and use tax.
Order to Show Cause	A court order directing a person to appear and present to the court reasons why a previous legal request was not honored or should not be honored. The department uses the Order to Show Cause primarily to enforce a Subpoena Duces Tecum (SDT).
Order to Withhold (OTW)	An order issued by the FTB directing a third party to withhold an amount from a taxpayer's assets (other than wages) for payment of tax.
Original Return	The date the tax return is due regardless of an extension date.
OSCAR	Out of state collection account referral
Out of State Collection Fee	Account with an out-of-state address referred to a private collections (OSCAR) agency for collection as authorized by Revenue and Taxation Code section 19376.
Overcollection	Payment that exceeds the amount listed on a levy.
Overpayment	Payment that exceeds the amount of tax due.
	P

Paragraph Code	A 2 digit code that corresponds to the Explanatory Paragraphs of Income Tax Changes (usually mailed with FTB's Notice of Tax Return Change). Please see FTB 1020 for specific codes.
Part Pay	Returns received with an amount insufficient to pay the full amount of tax due.
Pay Warrant	A voucher authorizing payment or receipt of money.
Payor/Payer	An individual or company who writes a check; one who gives money as payment. Banks and employers are considered payors.
Petition	The document filed with a bankruptcy court to commence a bankruptcy case.
Petition Date	The date on which a Petition is filed with the bankruptcy court.
Pin Notes	ARCS Notes window used by the Contract Collections Group to advise a vendor electronically of account activity.
PIT	Personal Income Tax

Plaintiff	Person who brings a legal action or lawsuit
Post-Petition Assets	Any assets acquired by the debtor after the Petition date.
Post-Petition Liabilities	Any debts on tax year(s) ending after Petition date.
Power of Attorney (POA)	A POA is a legal document that allows a third party to act on behalf of the debtor for specific tax years.
Previous Year	The tax year that immediately precedes the current year.
Primary Taxpayer	The taxpayer under whose SSA the account is filed. The taxpayer name that appears first on a joint return.
Prior Year	A taxable year that precedes the current year by two or more years.
Process Year	Year in which FTB processes tax return information.
Prorate	The court process by which a Will is proved valid or invalid. The legal process wherein the estate of a decedent is administered. In general, the probate process involves collecting the decedent's

	assets, liquidating liabilities, paying necessary taxes, and distributing property to heirs.
Protest	A written statement by the taxpayer disagreeing with our proposed assessment.
Public Records	Records which a governmental unit is required by law to keep or which it is necessary to keep. "Public records" include any writing containing information relating to the conduct of the public's business prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics.
	<u>Q</u>
Quash	To vacate, annul, make void, and cancel a subpoena.
	<u>R</u>
Rack	A departmental customer service online information resource.
Receivership	A receiver is a person appointed by the court to take possession and charge of designated and to administer them in accordance with court directives. Receivership can be administered through both the federal and state courts. Receivership cannot be ordered unless a lawsuit has already commenced and the court has determined that receivership is proper. A

	<p>receivership is not always used to liquidate assets. In certain cases where there are disputes between officers, directors or stockholders, courts may appoint receivers to serve as custodians. Receivership places the property subject to the receivership under the control of the court. Unlike bankruptcy, there is no automatic stay preventing the prosecution of suits against the company in receivership; however, receivership orders can preclude such suits.</p>
Red Path/Blue Path	<p>FTB promotes and encourages taxpayers to file their tax returns timely, file them correctly, and pay the correct amount of tax due (blue path), while identifying those taxpayers who do not comply (red path) to modify their behavior and self-comply in the future.</p>
Refund Returns	<p>Returns where credits and/or payments exceed the self-assessed tax and the taxpayer requests a refund of the overpayment.</p>
Remittance Amount	<p>Payment received with a document.</p>
Renter's Credit (R/C)	<p>A refundable credit given to qualified renters. (Suspended for 1993 through 1996)</p>
Revenue Code Report (RAR)	<p>An IRS generated audit report.</p>
Revenue Code	<p>A seven-digit code used to identify the sources of revenue for the return or assessment.</p>

RIN	Return Information Notice (the Notice of Tax Change/NTC replaced the RIN). This notice gives taxpayers information about adjustments made to their account during return processing.
	<u>S</u>
SBE	State Board of Equalization.
Secondary State	Added to a case in ARCS to enable the case to continue through its workflow while information is located and placed on the account (example: an abatement request, lead review, or financial statement follow-ups are submitted on secondary states).
Secretary of State (SOS) Certification Penalty	SOS imposes a penalty on corporations and limited liability companies that do not timely file their Statement of Information with the SOS. FTB collects this penalty on behalf of the SOS.
Senate Bill (SB)	A proposed law introduced by the Senate during a session for consideration by the Legislature, and identified numerically in order of presentation.
Sheriff Fee	Assessed when a warrant has been issued to enforce collection of unpaid tax.
SOS	California Secretary of State

Statute of Limitations (SOL)	The SOL is the time limit imposed by law on the right of both the state and taxpayer to increase or decrease the self-assessed taxes or to file a claim for refund.
Statutory Lien Date	The date a tax liability becomes "due and payable" for purposes of creating a state tax lien. The conditions vary for different types of assessments. The Collection Advisory Team is responsible for confirming Statutory Lien Dates to ensure the correct lien priority.
Subpoena Duces Tecum	A Subpoena Duces Tecum (SDT) is a document issued under the authority of Revenue and Taxation Code Section 19504(c). The SDT requires a party to produce specified documents, records or papers for inspection and/or photocopying. A court order is not required.
Social Security Number (SSN)	A nine-digit number issued by the Social Security Administration used to identify individual taxpayers' accounts. Pays retirement benefits, disability benefits, and survivors' benefits. Retirement benefits go mostly to people 62 or older and their families.
Softphone (Or FTB IWS)	A Windows-based call management system that allows users to answer, initiate, and transfer calls using a PC toolbar and softphone icon.
Spendthrift Trust	A spendthrift trust is a trust that is created for the benefit of a person (often unable to control his spending) that gives an independent trustee full

	authority to make decisions as to how the trust funds may be spent for the benefit of the beneficiary.
Spouse ID (SPID)	The taxpayer identification number assigned to the secondary taxpayer.
Stakeholder	One with a vested interest.
State	The third level of organization in ARCS. States are used within a functional area in ARCS, Cases with the same characteristics that require similar collection actions are grouped into the same state.
State Disability Insurance (SDI)	A tax paid by an employee to the Employment Development Department based on wages paid during the calendar year. Payments are made from public funds to an individual during a period of disability and incapacity to work.
Statement of Tax Due	Usually refers to the taxpayers tax liability remaining after all withholding and prepayments (estimate payments, etc.) have been applied to the balance due.
Stay	Temporarily stops the enforcement of a wage garnishment until the issue can be heard in court.
Stipulated	An amount of tax, penalty, and/or interest that cannot be adjusted automatically by TI.

Strata	A management tool we use to manage cases and meet collection goals through the use of risk based strategies. Strata “resides” between TI and ARCS, evaluating the collectability of accounts. After Strata evaluates an account it gives the account a score. ARCS uses the score to place the account in the proper functional area. Strata also calculates the expected yield of an account.
Systems Of Work	A business process view of the work we perform at FTB in managing taxpayers’ accounts. There are seven key systems of work at the department level: Return Filing, Return Validation, Filing Enforcement Processing, Audit, Overpayment, Underpayment (Collections), and Payment Processing.
	<u>I</u>
Tax Due	The tax liability remaining after all withholding and prepayments have been applied.
Tax Gap	The difference between what taxpayers owe and what they voluntarily pay.
Taxpayer	Individual or entity who pays taxes or has a filing requirement.
Taxpayer Bill Of Rights	Legislation that became effective January 1, 1989 protects the rights of California taxpayers, (Revenue and Taxation Code Sections 210014-

	21028). The Taxpayers' Bill of Rights established the position of Taxpayers' Rights Advocate, mandated a public education program, and placed into the code specific FTB collection procedures.
Taxpayer Folder (TPF)	An enterprise-wide application that holds data from tax returns, legacy systems, and third parties.
Taxpayer ID (TPID)	The taxpayer identification number. The TPID is usually the same as the SSN. However, when two or more taxpayers use the same SSN, TI will assign a unique TPID (a seven digit number that begins with an "8").
Taxpayer Information System (TI)	The computer system designed to capture, update, and store taxpayer information. TI is FTB's accounting system for individuals and trusts.
Tax Year	A period of time in which taxable income is computed for personal income tax (PIT) taxpayers. If no fiscal year has been established, a taxable year is the calendar year.
Third Party	Revenue and Taxation Code Section 19504.7, defines a third party contact as contact with "any person other than the taxpayer or their authorized representative with respect to determination or collection of the tax liability of such taxpayer."
Third Party Claim	A claim for property that is made by a third person who is not a party to a dispute as it relate to the property such as, a warrant is issued for a vehicle

	in the name of the taxpayer; however, a third party files a claim state the third party own an interest in the vehicle or other property.
Till Tap	A one-time seizing of cash in a taxpayer's cash Register by the way of a warrant.
Tolling Period	The period during which the 20-year statute of limitations for collection contained in Revenue and Taxation Code section 19255 is suspended, including (1) the period during which the Franchise Tax Board is prohibited by reason of a bankruptcy case from collecting, plus six months thereafter, (2) the period during which the Franchise Tax Board may not levy related to an IA under Revenue and Taxation Code section 19008(d), and (3) any other period during which collection of a tax is suspended, postponed, or extended by operation of law.
Transaction	Any addition, deletion or revision to a taxpayer's account.
Trustee in Bankruptcy	Person appointed by Bankruptcy Court to oversee a debtor's bankruptcy case in accordance with the Bankruptcy Code.
	<u>U</u>
Underpayment Penalty	An assessment for failure to pay the total amount of tax due by the original due date.

Under-Withholding (Form W-4) Penalty	Imposed on individuals for making false declarations. This penalty is most commonly assessed on individuals that claim an excessive number of exemptions to lower their withholding rate.
	<u>V</u>
Vacation Trust Fund (VTF)	Money set aside by an organization for its employees. Usually found in unionized companies and paid out on predetermined dates.
Vendor	Private collection agency contracting with Franchise Tax Board to collect authorized accounts.
V.I.T.A./TCE	Volunteer Income Tax Assistance/Tax Counseling For the Elderly are programs that provide free, easily accessible assistance to individuals with limited incomes who need help accurately preparing their income tax returns. Tax Counseling for the Elderly focuses on the needs of older taxpayers.
Voluntary Contribution	A voluntary contribution is an election made by the taxpayer to designate amounts on their California tax return to charitable funds allowed by Franchise Tax Board.
	<u>W</u>

Wage Record Display	This file displays quarterly wages earned by the taxpayer.
Wages	Any money (whether called wagers, salary, commissions, bonuses, vacation pay, or anything else) that is paid by an employer to an employee for personal service.
Warrant	To seize property and convert it to cash to either partially or fully satisfy a tax liability. Warrant has the same effect as a writ of execution in civil court cases.
Withhold at Source	Withholding at Source is a prepayment of the income (or franchise) tax due on the date(s) California source income was earned. It is not an additional tax because the payee will be allowed to offset the tax due on the return with credit for the tax withheld at source.
Withhold Master File	Used to retain taxpayer name and address Information, along with certain tax return information for original and amended returns filed in the three most current process years.
Withholding Credits	Credits withheld from wages, retirement distributions, or gambling winnings. These credits are claimed when taxpayers file their tax returns.
Work List	In ARCS, a work list state is a pooled inventory of cases shared among collectors or work groups. Example: IA02 work list

	<u>X</u>
	<u>Y</u>
	<u>Z</u>

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