



STATE OF CALIFORNIA  
Taxpayers' Rights Advocate Office MS F385  
**FRANCHISE TAX BOARD**  
PO BOX 157  
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02.03.2025

Spidell Publishing LLC

Dear Renée Rodda:

Thank you for submitting your issues for the December 2024 Taxpayers' Bill of Rights Hearing. As the Taxpayers' Rights Advocate, your concerns are important to me.

The following responses are provided by the appropriate program areas within the department:

### **1. Notice Releases**

We saw an inordinate number of notices all going out at the same time earlier this year, in the midst of filing season. This not only caused a tremendous amount of stress for taxpayers and tax professionals, but for FTB Tax Practitioner Hotline and customer service representatives as well. We understand a lot of this was related to many notices being held during COVID-19 and the 2023 natural disasters. However, we hope that the FTB will take note that this was an untenable situation for all and would plan accordingly next time. We at Spidell were inundated with calls and messages from tax professionals who spent hours over a several-week period just trying to get through to the FTB to resolve issues. And we are sure this put tremendous strain on staff at the FTB as well. We hope that in the future FTB staff will better anticipate the fallout of issuing so many notices at the same time and will work to stagger the release of these notices and/or establish systems to better handle the onslaught of inquiries and calls stemming from these notices.

### **Response**

We appreciate your feedback and understanding that our contact center agents do their best. FTB coordinates the mailing of notices with the goal of not overwhelming our contact centers. When unexpected events, such as disasters, change our noticing schedule, we do our best to balance mailing documents to taxpayers timely and potential impacts to our contact centers.

Taxpayers and tax professionals can quickly look up and identify the reason for a notice and required actions. Go to [ftb.ca.gov](https://ftb.ca.gov) and search **notices and letters**. On the left navigation, a search can be done alphabetically or by notice number. We also continue to expand our self-help options through MyFTB which includes responding to various notices. We added additional videos and resources to provide instruction on using

MyFTB. We encourage taxpayers and tax professionals to utilize self-service options whenever possible.

## **2. Disaster Postponements**

The San Diego disaster postponement relief created a secondary disaster for taxpayers and tax professionals alike. In 2023, when postponements were provided to essentially the entire state, the FTB did not require taxpayers to indicate on their returns that they were in a disaster area. However, unbeknownst to most taxpayers, tax professionals, and many tax software companies, this requirement was reinstated in 2024. These stakeholders assumed that the FTB was utilizing the same system as the IRS and flagging all tax returns with an address in the disaster area as eligible for disaster postponement relief. Unfortunately, that was not the case.

Again, we heard from hundreds of tax professionals regarding erroneous notices being sent, which resulted in needless hours being spent on the phone by both the taxpayers and tax professionals. Unfortunately, many tax professionals indicated that this severely impacted the trust clients had in their tax preparer's competency. We'd like to commend the Taxpayer Advocate's Office for working with us to send out communications to the tax professional community and for setting up dedicated e-mail addresses for taxpayers and tax professionals to use when this was brought to their attention. Unfortunately, for many this was all too little, too late.

We are also concerned about how the new process for granting disaster postponement relief that was enacted by SB 167 earlier this year is being implemented. We understand that whether relief will be provided is no longer in the FTB's hands and has been transferred to the Department of Finance. To date, there have been no federally declared disasters in California since SB 167's enactment. However, there have been dozens of non-California disasters which impact California taxpayers, such as multistate businesses and taxpayers filing California nonresident returns. The DOF did not approve postponement conformity until weeks or months after the IRS had issued their relief announcements, and after some key due dates had already passed. We are concerned that this will be a major issue when the next disaster hits California. We hope that the Board can work with FTB and DOF staff to ensure that disaster postponement relief is provided in a timely fashion to those taxpayers who are truly impacted by the disasters.

### **Response**

FTB's communication about the San Diego disaster relief consistently emphasized taxpayers should return to the practice of indicating they were affected by the disaster on their return. Automatic application of disaster relief was a temporary solution that only applied to disasters that affected almost all California taxpayers on a statewide basis such as the 2023 California winter storms or the COVID-19 pandemic. We updated our disaster webpage and are committed to keep it updated.

Although the decision about disaster postponements regarding income tax purposes is with the Department of Finance, FTB remains a committed stakeholder in the decision process. FTB and all stakeholder agencies collaborate frequently to establish a smooth transition. This is evident in the response to the Los Angeles County fires which began on January 7, 2025. FTB issued the press release announcing California's disaster relief postponement of tax filing and payment deadlines within four days. We are dedicated to serve all taxpayers, especially those impacted by disasters, to the best of our ability.

### **3. Communication in General**

We at Spidell are truly appreciative of our partnership with the FTB to help address taxpayers' and tax professionals' issues and concerns. We would especially like to commend the tremendous efforts of Angela Jones and Judy Leid in the Taxpayer Advocate's Office to help us communicate these issues. However, we have noticed over this last year that changes being made by the FTB are not being adequately promoted to the public at large. For instance, there was no announcement that the Ask a Legal Expert program had been eliminated, that the FTB's Technical Advice Memorandums were being removed from the FTB's website, or, as we noted above, that disaster postponement relief requirements were being reinstated. We hope that the FTB can work to ensure that they are communicating these changes in a timely fashion going forward.

#### **Response**

We strive to provide timely communication through various channels. Our goal is to inform our taxpayers and tax professional community proactively through *Tax News* and the public website.

Last year, FTB announced on its Ask a Legal Expert webpage the program was going to be suspended and updated the webpage again to provide notice it was discontinued later that same year. However, we appreciate your concerns regarding the method in which we announced the status of the program and will continue to look at additional communication methods in the future.

FTB has always required taxpayers to self-identify for disaster relief by identifying the disaster at the top of their paper return or following software instructions to enter disaster information on an electronic return. There are two times when FTB deviated from that long-standing practice. The first was when the pandemic started and the IRS and FTB postponed the original due for the 2019 taxable year to July 15, 2020. The second time was when all but two counties in California were under a federally declared disaster because of the winter storms in late 2022 and early 2023 that resulted in postponed due dates for the 2022 taxable year.

With the San Diego storms in January 2024, that resulted in a postponed due date to June 17, 2024, for the 2023 taxable year, FTB resumed its established practice

requiring taxpayers to self-identify when they are in a covered disaster area and entitled to disaster tax relief. FTB provided this information on its public webpage. FTB also provided this instruction in *Tax News* March 2024, April 2024, and a May 2024 *Tax News Flash*. This instruction may also be found in FTB Publication 1034 (Page 3). When FTB learned there was some confusion, we created a dedicated email to assist affected taxpayers in San Diego County to contact FTB for disaster assistance.

With the passage of SB 167, FTB and the Department of Finance are working closely to develop processes to help FTB announce disaster relief as quickly as possible after there has been a Presidentially declared disaster, or a Governor declared State of Emergency that triggers disaster tax relief. Most recently, this was demonstrated with the devastating Los Angeles County wildfires.

Sincerely,

A handwritten signature in cursive script that reads "Angela Jones". The signature is written in black ink and is positioned above the typed name and title.

Angela Jones  
Taxpayers' Rights Advocate

cc: Malia M. Cohen

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