

5. DEBTOR ASSET LOCATION SECTION

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5.0.1.1 Taxpayer Folder (TPF) Information

Background

The Enterprise Data to Revenue project resulted in a database system that now houses taxpayer and business entity information in one location, the Taxpayer Folder (TPF). TPF is an enterprise system that contains individual taxpayer and business entity account information for use by Franchise Tax Board (FTB) employees. The information is either scanned, sent by taxpayers or business entities, or provided by FTB legacy systems such as the Accounts Receivable Collection System (ARCS), Taxpayer Information (TI), Business Entities Tax System (BETS), and the Integrated Nonfiler Compliance (INC) system, etc. TPF provides valuable and complete account details to aid in resolving taxpayer or business entity tax issues.

The TPF is divided into two types:

- Individuals
 - Taxpayer (TI)
 - Taxpayer Representative
- Organizations
 - Corporation (BETS)
 - Partnership (BETS)
 - Limited Liability Companies (LLC) (BETS)
 - Estate (TI)
 - Trust (TI)
 - Group return (TI)

Note: TPF is not replacing FTB's legacy systems. In addition, any account adjustments need to be performed in TI (for taxpayers) or BETS (for business entities). Follow your unit procedures.

Purpose

TPF links several FTB systems into one resource. This will provide comprehensive information to address taxpayer or business entity information.

Responsibility

TPF will provide the following information:

- Overview – Displays Contact, Account Summary, Recent Activity, California Wages and Withholding, and Linked Members information
- Contact – Displays contact information (name, address, phone number, and email) and allows for editing.
- Demographic – Displays ID list, date of birth, and death information
- Relationships – Information from TI (primary/spouse) or BETS (parent/sub relationship)
- Accounting – Displays balance information from TI or BETS
- Returns – Displays scanned paper and e-filed return for PIT and BE accounts
- Payments – Displays payments received from taxpayers or business entities
- Comments – Displays comments entered by FTB employees
- Correspondence – Displays a list documents received from the taxpayer or business entity and notices issued by FTB systems (ARCS, TI, BETS, INC, and TPF)
- Activity – Displays detailed information about an entity's account activity. You can view information such as the staff member who performed the activity and a description of the activity.
- Accounts – Displays Case Management and filing enforcement case information associated to an entity with an account type of TI or BETS. Also, account information related to Audit, Legal, or Advocate is listed in this tab.
- Third Party - Displays detailed third party file information and records associated to an entity. You can view information such as file name, source, and received date. This page also displays a list of third party records.
- POA – Displays the active POAs by account period and all inactive POAs associated with a taxpayer in context. The page displays POAs associated with other members that share the same TPID or BETS Internal ID as a member on the entity. The page also displays links that allow you to view an image of the originally received POA

declaration form. The page displays differently based upon the entity sub type.

- Locate – Displays information from IRS, Lexis Nexis, DMV, and EDD
- Preferences - Displays a list of members associated to the entity and allows you to navigate to detailed preference information for each member. Displays only in the context of an entity with multiple members and one of the following member types: BETS, INC, TI, PTIN, REP, WASS.
- Proposed Assessment – Displays a list of proposed assessments issued and their current status pending, final, withdrawn, and/or appealed proposed assessments
- Resources – Displays links to the FTBNet, division specific tools, the RACK, etc.

Action

FTB employees should use TPF to verify:

- Current address, phone number, and other contact information
- Comments for past contact with the taxpayer or business entity.
 - This may provide source of levy information.
 - History of conversation or actions
- Return(s) for sources of income (wages or self-employed), DBA, expenses, mortgage payment, loans, new address or phone numbers, this will help in determining collectability of the account for legal actions (OTW, EWOT, COTW) and to advance collection actions (warrant, transferee, failure to honor, etc.).
- Payments.
- Payment (account list) status on:
 - Credit
 - Debit
 - Discharge
 - Fully Non-Liable Spouse (NLS)
 - Partially Non-Liable Spouse (PNLS)
 - Status Of Limitation (SOL)
- Notice(s) of Proposed Assessments (NPA)

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- Basis of NPA
- NPA issued date
- NPA final date
- Status of NPA
- Valid Power of Attorneys and invalid Power of Attorneys
- FTB notices issued to taxpayers
- Correspondence received from taxpayers
- Pending returns to be validated
- Accounts assigned to Audit, Legal, or Advocate staff
- MyFTB Account access

Note: Follow unit or local procedures.

Reference

Note: ((****))

Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 07/30/2018

5.0.1.2 Locating Current Address

Background

Upon contact with a taxpayer, business entity or its representative, Franchise Tax Board (FTB) employees should verify the correct mailing or physical address. If the address needs updating, FTB employees will update the address in the Taxpayer Folder (TPF). Anytime the taxpayer or business entity's address is flagged returned mail, invalid address, or incomplete address, FTB employees should skip trace to locate the correct mailing or physical address.

Purpose

FTB employees locate a current address to establish contact with a taxpayer in order to gain compliance, gather asset information and determine if entity is still in business. Locating a current mailing and physical address will also assist collectors if the account is later referred to a field office for resolution.

Responsibility

FTB employees are responsible for following approved [disclosure guidelines](#) when skip tracing for additional addresses.

Action

FTB employees will utilize the referenced sites and systems to locate additional addresses. FTB employees have the ability to reference the following but are not limited to:

- Department of Motor Vehicles (DMV) - Taxpayer address information can be located with the driver license or vehicle information.
- U.S. Postal Service –
 - Sending a Postmaster Request (form FTB 4793) to the U.S. Postal Service will confirm a taxpayer's last known address
 - [United State Post Office](#) locates zip codes
 - For Post Office Box Numbers:

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- Demand to Furnish Information (form FTB 4973), may be mailed to the U.S. Postal Service to obtain a copy of the taxpayer's post office box application [form PS 1583](#).
- [LexisNexis](#) – Requesting a LexisNexis search, if available, may produce contact information. (e.g., last known address, real property, and decedent information)
- Demand to Furnish Information (form FTB 4973), – This form can be mailed to various third parties (e.g., employers, landlords, companies that self-employed taxpayers contract with, and leasing companies.)
- Employment Development Department (EDD) Single Client Data Base ((***)*) – Taxpayer address, telephone number, and date of birth from unemployment claims.
- Accounting & Compliance Enterprise System (ACES)/Gen Tax. ACES became effective January 18, 2011 and replaced the Tax Account System (TAS). As of January 2011, all returns, wages, and payments are processed through ACES/Gen tax. FTB employees are able to locate, wages, businesses, number of employees, FEIN, SEIN, mailing address, alias, DBA, etc.
- Board of Equalization (BOE) – Information for self-employed taxpayers and business entities involved in wholesale and retail sales. Information can be obtained in accordance with exchange procedures and can provide the following:
 - sales tax
 - quarterly gross income
 - business name
 - address and phone numbers
 - landlord information
 - Credit Information
 - Names, addresses, and social security numbers of corporation officers
 - Banking information
- Secretary of State (SOS) – Provides date of incorporation, Chief Executive Officer (CEO)/agent, addresses.
- Credit Bureau Report (CBR) – [TransUnion](#) Credit Bureau Report locates addresses, telephone numbers, current employer name, occupation, credit rating, mortgage payment(s), vehicle payment(s), public record information, and over-all credit history. Collector must follow unit guidelines when requesting a CBR.

- Trace Plus – [TransUnion](#) Credit Bureau Report locates last known address information and date of death.
- Integrated Nonfiler Compliance (INC) System– locates taxpayer and employer address information.

Reference

TI System
Board of Equalization
Department of Motor Vehicles
Employment Development Department
Secretary of State
Tax Returns
[LexisNexis](#) ((****))
((****))
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((****))
((****))
[Disclosure Guidelines](#)
[LexisNexis](#) ((****))
[United States Post Office](#)
[Revenue and Taxation Code Section 19504](#)
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[Secretary of State \(SOS\)](#)
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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.1.3 Locating Telephone Numbers

Background

The telephone is one of Franchise Tax Board's (FTB) most valuable collection tools. Telephone contact with the taxpayer or their representative can establish compliance or non-compliance of the taxpayer. The response and information obtained during the initial telephone call will determine future actions.

Purpose

FTB employees use telephone numbers of taxpayers, business entities, taxpayer representatives, and third party contacts to assist with the resolution of an account.

Responsibility

FTB employees are responsible for following approved [disclosure guidelines](#) when [skip tracing](#) for telephone numbers.

Action

FTB employees will utilize referenced sites and systems to locate telephone numbers.

Reference

Tax Returns
TI System
BETS System
Board of Equalization
Taxpayer Folder (TPF)
Employment Development Department
[LexisNexis](#) ((****))
Telephone Directory Assistance
((****))
((****))
((****))
((****))

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[LexisNexis](#) ((***)
[Disclosure Guidelines](#)

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5.0.1.4 Third Party Contacts

Background

California [Revenue and Taxation Code Section 19504.7](#), defines a third party contact as "any person other than the taxpayer or their authorized representative with respect to determination or collection of the tax liability of such taxpayer." These contacts include, but are not limited to:

- Employers
- Landlords
- Leasers
- Family members
- Financial institutions
- References located on job applications
- Partners
- Officers

Purpose

PIT

Third party contacts provide Franchise Tax Board (FTB) employees an alternate avenue to locate a taxpayer and/or assets. The purpose of the Revenue and Taxation code provision is to provide the taxpayer the opportunity to volunteer whatever information is sought prior to third party contacts being established.

Responsibility

FTB employees are responsible for following approved disclosure guidelines when contacting a third party. FTB employees are responsible for providing third party language, protecting confidential tax information, and for asking appropriate questions. Third party language is explained on form FTB 1131J.

FTB must provide notification to the taxpayer before third parties are contacted. Each notification is effective for contacts made within 12 months of the date of that notification. The taxpayer can ask for a list of third party contacts no later than 60 days after the end of the 12 month period. We will not issue notifications if there is no intent to contact third parties.

Action

FTB legal counsel has determined that we must allow 10 calendar days after the mailing of the notification before we make third party contacts.

Notification includes an annual notice ((****)), Notice of Tax Return Change (NTRC), Notice of State Income Tax Due (STD), and Final notices which all include form FTB 1140 Personal Income Tax Collections Information. These notices provide the taxpayer with third party contact information. They also allow the taxpayer time to resolve their issue before third party contacts are made. The notification to the taxpayer contains the following:

“We may contact third parties to determine or collect your tax liabilities. Subject to privacy laws and your rights as a taxpayer, you may obtain a list of those contacts. For more information, please contact our Disclosure Section, P.O. Box 1468, Sacramento, CA 95812-1468.”

Once the 10 calendar days have passed, third parties may be contacted. The reporting of the third party contact will depend on whether the contact was with a business or an individual. The Disclosure Section determined that FTB employees must track the following items for each third party contacted:

- Taxpayer identification
- Taxpayer’s Social Security Number (SSN)
- Taxpayer Personal Identification (TPID) Number
- Taxpayer name
- Corporation number
- Corporation name
- SEIN/FEIN number
- Employee identification
- Employee Name
- User ID
- Employee unit/section
- Employee telephone number
- Employee mail stop
- Contact Information
- Date of contact
- Name of contact

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- Type of contact
- Reprisal-History text comment if the third party advised they fear reprisal from the taxpayer
- Tax Year(s) on the account

Reference

[Lexis Nexis](#) ((****))

Board of Equalization

Internet (searchbug.com)

Tax Returns

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[Revenue and Taxation Code Section 19501-19533](#)

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5.0.1.5 Locating Authorized Representatives

Background

Skip tracing includes locating authorized representatives for a taxpayer or business entity. A Power Of Attorney (POA) is a legal instrument, which gives the authority of a third party to act on behalf of the taxpayer or business entity in all tax matters outlined on the POA. A properly executed POA must identify the representative, the specific tax years to be discussed, and be signed by the taxpayer. For a joint liability, each taxpayer must sign and submit a separate POA. The POA allows the third party to receive confidential tax information and to act on behalf of the taxpayer or business entity for tax matters specified in the POA document.

Purpose

Franchise Tax Board (FTB) employees can contact authorized representatives to gain asset information and obtain compliance.

Responsibility

FTB employees will locate a qualified POA on the POA database or in the Taxpayer Folder (TPF). In most cases, the POA should be the first point of contact regarding the taxpayer or business entity outstanding tax liability. FTB employee are responsible for following approved disclosure guidelines when skip tracing for authorized representatives.

Action

When presented with a properly executed POA, collection personnel should make every reasonable attempt to resolve the collection issues with the representative designated by the taxpayer or business entity. This encourages maximum self-compliance with income tax laws, and extends due process of law for equitable, considerate treatment. However, collection action should not be delayed unless the authorized representative presents a compelling reason for the delay. In cases where the representative is uncooperative or fails to meet commitments, the taxpayer or business entity should be contacted directly.

Reference

Power of Attorney Database
[Employment Development Department
Board of Equalization](#)

TI System
[Secretary of State](#)

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5.0.1.6 Telephone Usage and Techniques

Background

Contacting a taxpayer via the telephone should always be the first step towards resolving an account. The telephone is one of Franchise Tax Board's (FTB) most valuable tools for locating taxpayers and resolving their accounts.

Telephone contact with the taxpayer or their representative offers an opportunity to make the taxpayer aware of their liabilities, describe how to resolve the account, determine the reason for nonpayment, obtain verbal commitments, and customize collection efforts to the circumstances revealed by conversation. It allows discussion to arrange a plan of action to satisfy their liability and an opportunity to obtain asset information. FTB employees should obtain as much information about the taxpayer during the initial conversation as this may be the last time contact may be established.

Note: Effective April 2, 2000, FTB must notify taxpayers of the potential of third party contacts (FTB Form 1131J). FTB can either mail a notice to the taxpayer or notify by telephone.

Purpose

The use of the telephone allows FTB employees to locate a taxpayer, resolve collection issues, and obtain asset information.

Responsibility

FTB employees are responsible for following approved disclosure guidelines when contacting a taxpayer, their representative, or third parties.

Action

Prior to contacting a taxpayer, their representative, or third parties, FTB employees should always plan their outgoing call.

- Analyze the account thoroughly
- Make sure the account balance is current
- Ensure due process has been given

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- Determine reason for call
- Determine whom you will be calling (e.g., taxpayer, officer of business entity or third party)
- Prepare an opening statement
- Once contact has been made, always verify you are speaking to the correct taxpayer:
 - Identify yourself by your first name. Never use an alias.
 - Verify full name of the taxpayer
 - Verify Social Security Number (SSN), telephone numbers, and addresses
 - For business entity:
 - Name of officer, SSN of officer, address of business and officer, phone number.

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Before you end the telephone call, remember to give the taxpayer your name, hours you can be reached and, if appropriate, your telephone number and address.

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During the call, always try to obtain the following:

- Current employer, phone number, or location of employer
- Attorney name, address, and telephone number (if applicable)
- Asset information (e.g., land, or equipment the taxpayer may own)
- Bank information
- Pending information from property rental/sale
- Any contact/leasing income on a continual basis

Documentation of each contact will need to be entered into the history text of the Accounts Receivable Collection System (ARCS) and taxpayer folder (TPF). The write up should be completed as soon as possible. For field call,

do not write up the interview in the presence of the taxpayer or third party, but should be completed as soon as possible. All interviews should including the following:

- Date
- To whom did you speak
- At what time did you speak to them
- What was the nature of the conversation:
 - Obtain payment in full
 - Due date for filing of return
 - Income or self-employed information
- DBA and address
- Type of business
- Number of employees
- Bank
- Financial statement due date
- Real Property, landlord
- Vehicles
- Mailing address and if P.O. Box physical address
- What is the follow-up date and next recommended action
- For filing return or payment, give calendar date such as:
 - Taxpayer will filed 20XX return by April 5, 20XX
 - Taxpayer will make payment of \$5,000 on April 5, 20XX
- Reconfirm all agreements to avoid any future misunderstanding.

Interviewing Techniques

Interviews are conducted to obtain information, expand on information already developed or to develop a specific course of action for resolution of a collection account. Successful interviewing techniques vary from one

individual to another. However, the basic principles for successful interviews are:

- Establish the identity of the taxpayer, business entity officer(s), POA, or third party, identify yourself and state the reason for the contact.
- Use a friendly, yet semiformal to formal approach. Always address the taxpayer, officer, POA, or third party in a respectful manner.
- Put the person interviewed at ease before discussing the problem or issues.
- Display a neutral, pleasant, open attitude.
- Be objective and keep an open mind.
- Ask straight forward questions in logical sequence. Do not ask questions leading to yes or no answers.
- Follow-up on vague replies; make certain the requested information is obtained
- Talk at a level that is easily understandable or at the level of the taxpayer can understand.
- Maintain control at all times.
- Do not try to overwhelm the person being interviewed with self-importance.

Note: Keep in mind someone else will be reading your comments regarding your interview either from central office or the field. Be logical, direct and legible writing will enable the next FTB employee to understand or determine what occurred and the next direction the account will take.

Termination of Calls

- Never terminate a call without at least one warning prior to disconnecting
- ****

Abusive/Obscene Language

FTB employees are not required to tolerate continued use of abusive/obscene language by a caller. Always use good judgment and discretion when dealing with this type of situation.

Note: Use of profane language is never appropriate when dealing with taxpayers and could result in disciplinary actions.

Threats

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- ((***)
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Sensitive Subject Matter

In some instances taxpayers will attempt to involve you in a discussion that is unrelated to their debt, question, or problem.

Due to the nature of our work and the volume of our calls, it is important to refrain from becoming involved in a discussion that is not related to satisfying the liability.

Resolutions

To help FTB employees resolve sensitive situations effectively regarding:

- **Personal problems or tragedies**
 - Empathize with or at least acknowledge their feelings.
 - Do not recount similar experiences of your own or encourage them to discuss their problems.
 - Be polite, but firm in returning to the subject or ending the call.
- **Politics**
 - Political issues cannot be discussed. FTB employees should tell the caller that they are not at liberty to express their personal opinions or views.

Important: FTB employees represent the State of California and FTB. Always be accurate, polite, and professional.

Collect Calls

Taxpayers may attempt to place collect calls to FTB because they cannot afford to pay the charges. Generally, FTB does not accept collect calls, although, this may be our only opportunity to talk with the taxpayer. If possible, get a return phone number, and inform the caller someone will return their call.

International Calls

Taxpayers living outside the country should be contacted if an international number is available. See unit procedures for placing international calls.

Third-Party Contacts

In the use of the telephone, it is often necessary to speak to third parties. Prior to contacting a third party, make sure the taxpayer has received an annual notice (FTB Form 9890) or other notice with the proper third party language. (FTB will send an annual notice to taxpayers with a good mailing address and balance.) Also, Notice of Tax Return Change (NTRC), Notice of State Income Tax Due (STD), and Final Notices all include form FTB 1140 Personal Income Tax Collections Information that also provides the taxpayer with third party contact information. Prior to contacting a third party FTB employees must verify the taxpayer has received a NTRC, STD and Final Notice. Ensure that third party reprisal language is provided and documented in ARCS and/or TPF. The following is a list of questions that may be asked when contacting [third parties](#):

- Telephone call to an account address:
 - Ask for taxpayer by full name
 - Does taxpayer live there?
 - Where can taxpayer be reached?
 - Where does taxpayer work?
 - What is the work telephone number?
 - Who are relatives and friends?
 - Landlord information
- Telephone call to last known employer:
 - Ask for taxpayer

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- Do they work there?
- When did they leave?
- Where did they go?
- Occupation
- Unions
- Credit Union or bank information
- Last known address
- Where was W-2 form mailed?
- Date of Birth
- Where did taxpayer cash last two payroll checks?
- Emergency contact person
- Telephone call to landlord:
 - Taxpayer still a tenant?
 - Is there a telephone number?
 - Place of employment?
 - Is the taxpayer married?
 - Where is spouse employed?
 - Vehicles
 - Moved in and out date
 - Any forwarding address
 - How rent was paid? What bank?
 - Information from rental application.
 - Can a copy be faxed to us?
 - Friends and neighbors
 - Moving company information
- Telephone call to neighbors:
 - Does the taxpayer live at the account address?
 - Do you have the taxpayers' telephone number
 - Do you know the taxpayers' current employer?
 - Is the taxpayer married? What is the spouse's name?
 - Where does the spouse work?

- When did the taxpayer move?
- Where did the taxpayer move?
- Is there correspondence with the taxpayers' information?
- Other friends, neighbors or relatives

Computer Down Time

Computer down time exists when we are unable to view information on a taxpayer's account due to system problems.

- We should **never** advise the caller we are unable to help them.
- **Never** guess at an answer.
- Take the taxpayer's information including:
 - Social Security Number (SSN)
 - Business entity number
 - Address
 - Full name
 - Telephone number
 - Reason for the call
- Advise the taxpayer they will receive a call back.

Reference

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.1.7 Locating a Social Security Number (SSN)

Background

Skip tracing may include locating an SSN for officers of a business entity. With an SSN, we can obtain additional collection resources such as telephone numbers, addresses, bank information, and miscellaneous payors.

Purpose

Franchise Tax Board (FTB) employees may use an SSN to obtain contact information on officers, members, authorized representatives, and partners of a business entity.

Responsibility

When necessary, FTB employees must utilize all necessary resources to find an SSN to gain contact information from an entity.

In addition, some taxpayers use a working SSN for employment, but file returns under an ITIN. FTB must address any returns filed under a different SSN or ITIN. The taxpayer must provide verification before any changes are made to the account.

Note: An individual's SSN is **never** input into unauthorized websites.

Action

Utilize referenced sites and systems to locate an SSN.

Reference

TI System
[Tax Returns](#)
[Board of Equalization](#)
[Department of Motor Vehicles](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.2.1 Income Sources Information

Background

Skip tracing includes locating potential income sources such as: tenants, suppliers, landlords, financial institutions, accounts receivable payors, etc. Income sources tell us where some of the taxpayer or business's income is derived from.

Purpose

Franchise Tax Board (FTB) employees may skip trace for income sources to obtain additional information that will assist with resolving a case (e.g., address, telephone number, etc.) This information may also help determine which involuntary action to take in order to resolve a case (e.g., Earning Withholding Order for Taxes (EWOT), Continuous Order to Withhold (COTW), or Order to Withhold (OTW)).

Responsibility

FTB employees are responsible for following approved disclosure guidelines when skip tracing.

Action

Utilize referenced sites and systems to locate income sources such as:

- INC
- SA file
- ACES
- INC
- Department of Tax and Fee Administration (CDTFA)
- Tax Return
- LexisNexis
- CBR
- Licenses
 - Contractor
 - Nurses

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- Dental
- Attorney
- Doctor
- Department of Consumer Affairs
- Board of Architectural
- Athletic Commission
- Board of Barbering and Cosmetology
- Contractors State License Board
- Etc.

Reference

[Department of Tax and Fee Administration \(CDTFA\)](#)

[Department of Motor Vehicles](#)

[Employment Development Department](#)

TI System

[Tax Returns](#)

Copy of canceled check(s)

[U.S. Securities and Exchange Commission Website](#)

[LexisNexis](#) ((****))

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5.0.2.2 Financial Institution Centralized Information

Background

Throughout the collection process financial institutions or information about financial institutions are located through a variety of methods including, but not limited to, [scoping](#) and [skip tracing](#) accounts. Financial institution information is utilized to create Electronic Funds Transfer (EFT) Installment Agreements (I/A), issue Earnings Withholding Orders (EWOT), Orders to Withhold (OTW), and to seize assets. This information consists of centralized names and addresses of banks, savings and loan associations and major credit unions in California listed by name.

This list is updated continually:

- ((***) (Payor/address)
- ((***) (Payor/telephone/fax)
- ((***)
- [Bank Routing Number Verification System](#)
- [Department of Financial Institutions](#)
- [Credit Union Service Center](#)
- [Federal Deposit Insurance Corporation \(FDIC\)](#)
- [Listing of California state regulated banks](#)

Purpose

Financial institution centralized information expedites the collection process by providing employees with locatable information on financial institutions, as well as pinpointing the location of the centralized institution. This ensures Franchise Tax Board (FTB) employees has current information when contacting or requesting information as well as when issuing levies to these institutions.

Responsibility

FTB employees will utilize financial institution centralized information solely for FTB purposes critical to achieving mission goals and request that new or revised payors be added through the intranet.((***)

Action

((***)

Reference

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Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 07/30/2018

5.0.2.3 Taxpayer Folder (TPF) Document Index Search

Background

The Document Index Search page in Taxpayer Folder (TPF) allows Franchise Tax Board (FTB) employees to search for incoming correspondence, returns and payments.

Purpose

Document Index Search page information is utilized to view actual payment documents with source information, returns and correspondence from taxpayers or business entities.

Responsibility

It is the responsibility of FTB employees to perform a Document Index Search to locate taxpayer or business entity misapplied payments, correspondence, or return information. FTB must allow appropriate [processing time frames](#) (and check the [IT Service Status Dashboard](#)) prior to requesting the taxpayer, business entity or Power of Attorney resubmit a tax return, place a stop payment or resubmit any correspondence.

Action

FTB employees will access the Document Index Search page in TPF to locate the following:

- Effective and posting dates
- Dollar payment amount
- Where the payment was applied
- Whom the payment was made by
- Bank information
- Document locator numbers (DLN)
- Correspondence identification numbers (CORR ID)
- Return identification numbers (PTRA)

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Users can search by the primary taxpayer's or business entity's ID number (multiple variations allowed), name, DLN, Notice ID, Scan Page ID, account number, check number, or routing number. ((***)

Note: If the account is a classified account, only users with classified account access will be able to view the account information or transaction data.

((***)

See your lead or supervisor if you have any additional questions.

Reference

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.3.1 Doing Business As (DBA)

Background

A taxpayer or business entity may operate under a different name than its individual or registered name. This other name is known as: Doing Business As (DBA). When a taxpayer or business entity uses a DBA, it can unintentionally hide contacts or assets from the Franchise Tax Board.

Purpose

Franchise Tax Board (FTB) employees will identify DBAs to help locate contacts and assets, which may be used to gain legal compliance.

Responsibility

FTB employees must identify and document the DBA name to help maximize collection actions. FTB employees must add DBAs to entity demographics, and include DBAs on all liens and levies. FTB employees are responsible for following approved disclosure guidelines when skip tracing.

Action

Utilize referenced sites and systems to locate DBAs. If a lien exists on a case where the DBA was not included, a new lien should be filed to include the DBA name.

Reference

[Department of Tax and Fee Administration \(CDTFA\)](#)

[Employment Development Department](#)

[Secretary of State](#)

[Tax Returns](#)

[LexisNexis](#) ((****))

[Department of Alcoholic Beverage Control Website](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.3.2 Occupational Licensing (State and Federal) Background

Skip tracing may include the need to identify an occupational license held by a taxpayer or business entity. Occupational license information can provide addresses, telephone numbers, type of business, possible payors, and additional contacts to aid in gaining compliance.

Purpose

Franchise Tax Board (FTB) employees locate occupational license information to gain contact information, discover the type(s) of business an entity engages in, and to determine the status of a license.

Responsibility

FTB employees are responsible for identifying if a taxpayer holds an occupational license. FTB employees will also follow [disclosure guidelines](#) while skip tracing for occupation license information.

Action

((****))

The following license information is available:

- [Accountants](#)
- [Acupuncturists](#)
- [Alcohol and Beverage Control](#)
- [Architects](#)
- [Attorneys](#)
- [Auto Repair Dealers](#)
- [Barbers](#)
- [California Department of Housing and Community Development](#)
- [Chiropractors](#)
- [Contractors](#)
- [Cosmetologists](#)

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- [Court Reporters](#)
- [Dental Assistants and Hygienists](#)
- Dentists
 - [ADA Dentist Search](#)
 - [CA Dental Board](#)
 - [Dentistdirectory.com](#)
- Doctors
 - [AMA Online Doctor Finder](#)
 - [CA Medical Board \(Doctor's search\)](#)
- ((***)
- [Electronic and Appliance Repair Dealers](#)
- [Engineers](#)
- [Financial Advisors](#)
- [Funeral Directors](#)
- [Geologists](#)
- [Home Furnishings Licensees](#)
- [Horse Racing Board, California](#)
- [Insurance Agents and Brokers](#)
- [Midwives](#)
- [Nurses](#)
- [Occupational Therapists](#)
- [Optometrists](#)
- [Osteopathic Medical Board](#)
- [Pest Control and Exterminators](#)
- [Pharmacists](#)
- [Podiatrists](#)
- [Psychologists](#)
- [Real Estate Agents and Brokers](#)
- [Real Estate Appraisers](#)
- [Tax Preparer](#)
- [California Commission on Teacher Counseling \(CCT\)](#)

- [Veterinarians](#)
- [Vocational Nurses](#)

A Demand to Furnish Information (form FTB 4973) may be necessary to obtain information from certain organizations.

Reference

[NASD Security Dealers License](#)

[U.S. Securities and Exchange Commission Website](#)

[California Department of Corporations](#)

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[Department of Consumer Affairs](#)

[Professional and Business License Handbook website](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 06/20/2018

5.0.4.1 Vehicles (Autos, Boats, Airplanes, etc.)

Background

[Skip Tracing](#) may include locating, identifying, and documenting a taxpayer's vehicle information for automobiles, boats, or airplanes. This information will help gain contact and asset information for future collection purposes.

Purpose

Franchise Tax Board (FTB) employees locate vehicle information for potential seizure or to be used as a collection tool when Orders to Withhold (OTW), Earnings Withholding Orders (EWOT), and Continuous Orders to Withhold (COTW) do not yield desired results.

Responsibility

FTB employees will utilize approved resources to skip trace and locate vehicle information on a non-compliant taxpayer. The vehicle's value helps determine whether or not it should be seized to satisfy a tax liability.

Note: FTB employees are responsible for following approved disclosure guidelines when skip tracing.

Action

FTB employees will use various resources when skip tracing for asset information regarding automobiles, boats, or airplanes. The following information is used to locate taxpayer's assets.

Automobiles

- Department of Motor Vehicles (DMV)
- Taxpayer information - Driver's license number, full name, Corporation name, verification of Social Security Number (SSN), current address, and date of birth
- Married spouse, DMV will list AKAs
- License information – License type, status, if license has been revoked or surrendered out of state

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- Vehicle information – Vehicle license number, registered or legal owners name, and lien holder information. If the lien holder is a bank, the taxpayer may also have a bank account with them:
 - Example: Lien holder is Bank of America. Taxpayer may have a bank account with Bank of America.
- A Demand to Furnish Information (form FTB 4973) can be mailed to vehicle lessors to obtain a copy of lease information, credit application, as well as mode of payment. The collector will need to know the name of the dealership or leasing company where the vehicle was leased from to send form 4973.
- Vehicle Pricing ((****))
- Auto market reports on wholesale and retail fair market value prices for new and used vehicles such as Kelly Blue Book. This will help to determine the value of the vehicle for the warrant process.

Vehicle Code List:

- A Automobile
- B Vessels
- C Commercial (including Trucks)
- L Environmental Plates (personalized plates)
- M Motorcycles
- S Special Vehicles (CB-plates begin with K, or special Equipment vehicles-plates begin with SE or Exempt plates (Government))
- T Trailers, Horseless Carriages, or Press Photographers
- V If using VIN, Motorcycle Engine Number, or Vessel Hull Id Number.

Boats

- [Department of Boating and Waterways](#)
 - Provides consumer protection by administration of boating safety and licensing of yacht and shipbrokers.
 - Boating operations carrying passengers in California waters are also licensed. Information available:
 - Licensee information

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- Address of business
- Number of employees
- A Demand to Furnish Information (form FTB 4973) may be necessary to obtain the information needed.
- [Ships And Vessels Information](#), U.S. Coast Guard
 - FTB has the authority to contact the U.S. Coast Guard for the taxpayer's ship or vessel information. Any vessels over 18 feet in length are required to register with the U.S. Coast Guard. The following information may be obtained:
 - Documented Vessels:
 - I. Name of registered owner
 - II. Name of vessel
 - III. Address of port of call
 - IV. Name of port
 - V. Length and location
 - VI. Tonnage
 - ((****))

Airplanes

- [Federal Aviation Administration](#) (FAA)
 - Contact with the FAA can be made by mail only
 - Aircraft registration contains the following information:
 - Alphabetical list of all aircraft owners nationwide
 - Address of registered owner
 - Listing of aircraft registrants by make and model
 - Date aircraft certified for flight
 - Year aircraft manufactured
 - Serial number (N number)
 - State and county listing of aircraft registrants

- Owner and lien holder of aircraft

Note: FTB no longer files FAA liens

Reference

Department of Motor Vehicles

[U.S. Coast Guard](#)

National Vessel Documentation Center (Telephone 1.800.799.8362)

[Federal Aviation Administration](#)

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[Department of Boating and Waterways](#)

[Disclosure Manual](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.5.1 Real Property (Lexis-Nexis) Information

Background

Franchise Tax Board (FTB) contracts with [LexisNexis](#) ((****)), an online legal research system, to provide statewide and situs real property information. Skip tracing may locate real property owned by a taxpayer or business entity. Property information can provide additional addresses, business activity, additional contact information, financial institution information, tenant information, etc. Registered users should have an ICON on their computer desktop to access the LexisNexis data bank. If FTB employees have any questions please contact your lead or supervisor. Please refer to your unit procedures for Lexis-Nexis requests.

Purpose

LexisNexis allows Franchise Tax Board (FTB) employees to establish ownership of real property, identify rental income as a possible levy source, recognize deed transfers, or issue a real property lien in the county where the property resides. FTB employees locate real property to identify seizable assets. Locating these assets may lead to: additional contacts, issuance of a Continuous Order to Withhold to tenants to seize rents, filing tax liens in the appropriate county where the property exists, assist potential field collections, and possibly provide information to substantiate missing tax year assessments.

Real property may be seized to satisfy a tax liability but must be approved by management.

Responsibility

FTB employees are responsible for following approved disclosure guidelines when skip tracing Lexis Nexus.

Note: In general, FTB will not seize the primary residence of a taxpayer.

Action

FTB employees will use LexisNexis to locate taxpayer contact and asset information. The following information for real property can be located using Lexis Nexus:

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- Owner of real property (code A)
- Owner of business property (code B)
- Date of property purchased and amount.
- Date of property sold and amount.
- Assessor's Parcel Number (APN)
- Property or Parcel Address
- Vacant Land
- Acreage
- Date of home build

Note: Not all FTB employees have access to LexisNexis see your lead or supervisor for additional information.

Reference

[LexisNexis](#) ((****))
Board of Equalization
Employment Development Department
Tax Returns

[Real Estate Value Website](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.5.2 Miscellaneous Property

Background

Skip tracing may include locating an entity's miscellaneous property. Miscellaneous property can include inventory, equipment, security deposits, etc.

Purpose

The discovery of miscellaneous property may satisfy a tax liability by seizure or attachment.

Responsibility

Franchise Tax Board (FTB) employees are responsible for following approved disclosure guidelines when skip tracing for other types of property other than real property. Beside website or other FTB assets located sites, FTB employees should review the taxpayer or business entity return to identify assets.

Action

Utilize referenced sites to locate miscellaneous property to identify miscellaneous property such as:

- Tractor
- Back-hoe
- Paper press
- Printing Equipment
- Welding equipment
- Race Track equipment
- Farm equipment
- Etc.

Note: Once miscellaneous property is located, an SOS lien should be filed. This will protect FTB's interest when the owner sells the property.

Reference

[Board of Equalization](#)

Tax Returns

[LexisNexis](#) ((***)

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.5.3 County Assessor

Background

For property tax purposes, within an assessor's jurisdiction, the county assessor is responsible for determining the assessed value of all taxable real, business, and personal property located within the respective county. Under the California Constitution and the Revenue and Taxation Code, the county assessor has four primary duties:

- Locate all taxable property within the respective county.
- Identify the owner of all taxable property.
- Establish the value of all taxable property in accordance with the law.
- Publish both annual and supplemental assessment information.

Note: The county assessor does not establish tax rates, issue tax bills, collect taxes, or issue refunds for tax overpayments.

The types of properties assessed are:

- Real property
- Business personal property
- Marine and aircraft
- Commercial and industrial property

Below are the types of information available to Franchise Tax Board (FTB) employees:

- Name and address of owner (indexed by name or address)
- Nature of property
- Value and location of property (real and personal)

Purpose

Access to county assessor information by FTB employees may ensure that liens are properly filed in the county in which property is located and may aid in locating potential assets for possible seizure.

Responsibility

FTB employees should contact the county assessor when investigating a taxpayer's real and personal property in order to identify assets that may belong to the taxpayer. (Example: A homeowners' exemption flag exists and additional assets are unattainable.) FTB employees may contact the county assessor when information cannot be obtained through scoping and skip tracing.

The county assessor's records contain a variety of information regarding real and personal property, (and for that reason they should generally be researched in the following situations):

- The taxpayer owns or may have owned real property
- The taxpayer is self-employed
- The taxpayer has sold a business

Action

FTB employees can locate the homeowner's exemption information from the Taxpayer Information (TI) Display. FTB employees may have to provide A Demand to Furnish Information form FTB 4973 to obtain information. [Revenue and Taxation Code Section 408.2\(c\)](#) of the Property Taxes Law Guide states, "The assessor shall disclose information, furnish abstracts, or permit access to all records in his or her office to law enforcement agencies, the county grand jury, the board of supervisors or their duly authorized agents, employees or representatives when conducting an investigation of the assessor's office pursuant to Section 25303 of the Government Code, the Controller, probate referees, employees of the Franchise Tax Board for tax administration purposes only, the State Board of Equalization, and other duly authorized legislative or administrative bodies of the state pursuant to their authorization to examine the records."

FTB employees may use recording instruments obtained from the county assessor in resolving compliance cases as follows:

- Deeds that show the taxpayer as the grantor (seller)
 - These documents show that the taxpayer or business entity sold an interest in real property, and the sale price can generally be calculated from the amount of the document transfer tax. Also, the grantee (buyer) shown on the deed may be a good source of information. Contact with the buyer (not taxpayer) to see if any

outstanding monies are owned to the taxpayer. If any monies owing to the taxpayer by the buyer, these funds may be reached with a COTW or OTW.

- Deed of Trust with the taxpayer as the grantee
 - This document places real property as collateral for the payment of a promissory note on which the taxpayer is collecting payments. These note payments can be attached by issuing an order to withhold to the grantor shown on the deed of trust
- Notice to creditors of bulk transfer
 - This document indicates an intention to sell a business. It states the name of the seller (grantor), the name of the buyer (grantee), the intended transfer date (sale date), and the assets to be sold. Also, the amount of monies paid to the taxpayer or business entity maybe reached with a COTW or OTW.
- Declaration of Trust with the taxpayer as grantor
 - When the taxpayer is the creator (grantor) of a family trust, the recorded Declaration of Trust should be examined to determine the validity of the trust. If it can be shown that the taxpayer is the creator, trustee, and beneficiary the Collection Advisory Team (CAT) should be contacted regarding the filing of a Nominee Lien against the family trust.
- Business property
 - The county will assess a business tax based on business location within the county. This is different than property tax where the business tax is associated to type of business and tax accordingly. This may appear in Lexis Nexis (code b) as real property but it is a business tax. The county can provide a copy of the pay, but a demand for information (form FTB 4973) is required.

Note: In some instances the declaration will not specifically state who the beneficiaries are. FTB employees should research recording records to determine if the trust has transferred any assets back to the taxpayer (making the taxpayer a beneficiary).

Note: On any nominee action, the burden rests with FTB to show the property was sold without full consideration of FTB's lien or to conceal the assets.

Reference

[Revenue and Taxation Code Section 408.2\(c\)](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.5.4 County Clerk Recorder

Background

The county clerk county recorder's or county clerk of superior court performs various administrative and judicial functions. Such functions include:

- Issue marriage licenses
- Perform marriage ceremonies
- File notary public oaths of office
- Process U.S. passport applications
- File and maintain fictitious business names
- Maintain civil law records
- Maintain probate law records
- Maintain family Law
- Maintain criminal law records, which may include
 - A probation officer's report that outlines the defendant's assets.
- Other items as mandated by law or ordinance

They also record, as mandated by law, all recordable documents in connection with ownership and titling of properties and other negotiated items within the county.

Purpose

The county clerk recorder serves as custodian of public records and records public documents, including real property documents in the official records of the county. Thus, the county's official records may provide the Franchise Tax Board (FTB) employees with an information source to locate assets belonging to the taxpayer or business entity.

Responsibility

FTB employees should contact the county clerk recorder when receiving information concerning a taxpayer's real property, personal property, or fictitious business names that the taxpayer may be using in order to identify assets that may belong to the taxpayer. FTB employees may contact the

county clerk recorder when information cannot be obtained through scoping and skip tracing.

Action

A county's official records can contain a variety of information regarding real and personal property transactions and should generally be researched in the following situations:

- The taxpayer owns or may have owned real property.
- The taxpayer is self-employed.
- The taxpayer has sold a business.
- Rather than self-assess a tax, the taxpayer pays or allows collection of the filing enforcement assessments.
- The liability is due to audit disallowance of a family trust.

To reach any of the recorded information, FTB employees will need to send a Demand to Furnish Information notice (FTB 4973) or use the district office to make a personal appearance.

Note: This information may be located on the counties website. The following information may be attained from the county clerk's or recorder's office:

- Copy of Deed
- Copy of Lien
- Grant Deeds
- Property taxes paid (bank information)
- Business licenses applications (DBA)
- Business tax applications
- Business tax paid (bank information)
- Small Claim Application, by plaintiff's and defendant's name
- Probate (decedent's name)

Note: This information may be located on the counties website.

Reference

[California County Websites](#)

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[California County Recorder Clerks](#)

Note: (()) = Indicates confidential and/or proprietary information.

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5.0.5.5 County Tax Collector

Background

The County Tax Collector processes tax billings and collections for jurisdictions within their county. These taxes include:

- Real estate taxes
- Personal property taxes
- Supplemental taxes
- Other ad valerom taxes

The County Tax Collector also administers payment plans, the state's tax postponement, and assistance programs for seniors, blind, and disabled persons. In addition, the County Tax Collector conducts public auction tax sales, including intergovernmental tax sales, collects transient occupancy taxes, and processes parcel map requests.

Purpose

Access to the County Tax Collector's information allows the Franchise Tax Board (FTB) employees to obtain information to assist in verifying a taxpayer's expenses and to acquire information on assets owned by the taxpayer. Such relevant information includes:

- Current year tax information
- Collection of secured and supplemental property taxes
- Collection of unsecured taxes
- Conducts defaulted property tax sales
- Issue business licenses for businesses in the unincorporated areas of the county

Responsibility

FTB employees should contact the County Tax Collector in the following situations:

- There is information that suggests the taxpayer owns real property in a California county

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- Tax taxpayer or business entity has a business
- Asset information is unattainable through a normal scope and skip trace.
- When LexisNexis is not effective

Action

FTB employees should contact the County Tax Collector if one or more of the above conditions are met. A Demand to Furnish Information FTB 4973 request may be required to obtain any information.

Note: This information may be located on the counties website.

Reference

[California County Websites](#)

[LexisNexis](#) ((****))

FTB 4973, Demand to Furnish Information

Note: (()) = Indicates confidential and/or proprietary information.

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5.0.6.1 State Agency Information

Background

Many federal and state agencies are able to provide information to the Franchise Tax Board (FTB) under [Civil Code Section 1798.24 \(d\)](#) to aid in the administration and collection of taxes.

Purpose

State agencies provide information critical to locating taxpayer and/or their assets including, but not limited to:

- License(s) held by the taxpayer
 - License number
 - Name and address of owner
 - Type of license
 - School attended (if applicable)
 - Date license application filed and the duration it is valid
- Employment verification and location
 - Payroll
 - Withholding (W-2's) of state employees
 - Offsets against other state departments
- Association(s) or unions the taxpayer may belong to
- School directories (teachers and educators)
- Farmer/farming information
- Possible workers compensation claims (Department of Industrial Relations)

Responsibility

FTB employees utilize information provided by state agencies during skip tracing to expedite the location of the taxpayer and/or their assets.

Action

FTB employees may access the Telephone Contact List to obtain telephone numbers and addresses of respective agencies and departments that may provide information to FTB. A Demand to Furnish Information (form FTB 4973) can be used to discover taxpayer information and may be required by some agencies. Further information may be obtained directly from the agencies websites listed below:

- [Department of Alcoholic Beverage Control](#)
- [Department of Veterans Affairs](#)
- [Public Utilities Commission \(PUC\)](#)
- [Department of Education](#)
- [Department of Food and Agriculture](#)
- [Department of Industrial Relations](#)

Reference

[Civil Code Section 1798.24 \(d\)](#)
[Department of Alcoholic Beverage Control](#)
[Department of Veterans Affairs](#)
[Public Utilities Commission](#)
[Department of Education](#)
[Department of Food and Agriculture](#)
[Department of Industrial Relations](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.6.2 Employment Development Department (EDD)

Background

The Employment Development Department (EDD) collects personal income taxes withheld by employers from the wages of employees. EDD also collects disability insurance taxes from self-employed individuals, handles the audit and collection of payroll taxes and maintains employment records for more than 17 million California workers.

Franchise Tax Board (FTB) has an Exchange of Information Agreement with EDD to provide current employer information for tax administration purposes. Information can be obtained through the personal computer terminal under the EDD files.

Effective January 18, 2011, TAS was replaced by The Accounting and Compliance Enterprise System (ACES). The new application was under the product name of Gen/Tax. Effective January 3, 2012, TAS is no longer viewable by FTB employees. ACES/GenTAX is updated daily.

Purpose

Access to EDD information provides FTB employees with a variety of valuable information such as verification of wages and/or withholdings as well as bank account information. Current information about the taxpayer's current address and assets can also be obtained through corporation information (i.e., information from the taxpayer's employer) and unemployment claims.

Responsibility

FTB employees are responsible for accessing EDD information (through ACES/GenTax) during skip tracing and utilizing this information to make recommendations on the most efficient course of action to resolve the account.

Action

FTB employees will access the information available from EDD's records such as:

ACES/GEN/Tax contains information submitted on corporations, partnerships, and sole proprietorships in addition to state withholding income tax, disability insurance, unemployment insurance and employment training tax. The following can be located in ACES/GenTax:

- Owner's home address and telephone number
- Type of organization
- Principal corporation officers
- Business name
- Mailing address
- Location of California address
- Date ownership began operating
- Amount of quarterly payroll
- Ownership record of business purchase price
- Nature of business
- Previous owner of business
- Name and telephone number of bookkeeper, accountant or business contact
- Social Security Number (SSN)
- Federal Employment Identification Number (FEIN)
- Bankruptcy information
- Business alias or AKA names
- Driver's license number of business owner
- Levy or asset information (bank information)

The EDD Base Wage File will provide employment and employer information, including wages, withholding and employer contact information. This can be accessed from anywhere in the Taxpayer Information (TI) System ((****)). This information is updated weekly and will be retained for a four-year period. ((****)). The following can be obtained:

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- Amount of wages paid per quarter
- Name, address, and telephone number of employer
- Listing of all employees per quarter
- Amount paid to each employee per quarter

If a taxpayer has filed an unemployment claim, this information is also available through ACES/GenTax. ACES/GenTax identifies wages paid to officers of corporations and employees. Information on the file will be updated quarterly by the amount of gross earnings two quarters behind the current quarter. The file also includes unemployment claims. The following information may be located in the Gen/Tax:

- Social security number.
- Taxpayer's name and telephone number.
- Effective date of the unemployment claim, which reflects the date a request, was made to claim unemployment.
- Address where the unemployment checks are mailed.
- Date of birth information.
- Award information - This area reflects the weekly amount awarded, the length of time the award is for, and the amount of the total award. The last employer will be listed along with an address. This area will also reflect any child support obligation.

Reference

[Employment Development Department \(EDD\)](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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5.0.6.3 Department of Tax and Fee Administration (CDTFA) and Secretary of State (SOS)

Background

The Department of Tax and Fee Administration (CDTFA) provides information for self-employed taxpayers and corporations involved in wholesale and retail sales. In California, all taxable sales are to be reported quarterly or monthly to the CDTFA. These reports include data about taxable and non-taxable sales by business type. Currently, the tax programs administered by the CDTFA are concentrated in four general areas:

- Sales and use taxes
- Property taxes
- Special taxes
- The tax appellate program

The Secretary Of State (SOS) processes filings, maintains records and provides information to the public relating to business entities that include corporations, limited liability companies, limited partnerships, general partnerships, limited liability partnerships and other business filings. The SOS allows certain access to its records through the SOS file.

The SOS file is an online system that maintains database files, in real time, for corporations that are either incorporated or qualified to do business in California. The file allows authorized FTB employees to view information maintained by SOS.

Some Franchise Tax Board (FTB) employees are given access to view CDTFA and SOS information.

Purpose

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Further, a variety of documents maintained and information provided by CDTFA and/or SOS can be analyzed to obtain information that may be helpful in the accounting scoping and skip tracing process.

Sales Tax Permit – The application for a sales tax permit may show: (1) credit information, (2) Principal suppliers, (3) Personal references, (4) Names, addresses, and social security numbers (SSN) of corporation officers.

Asset information:

- Addresses of real estate owned by taxpayer
- Amount and source of security deposit held by CDTFA
- Bank where the taxpayer or business entity does business

Funds Deposited with CDTFA– The funds deposited with CDTFA may review assets that belong to a taxpayer. Specifically, Sales and Use Tax Law provides that BOE may require any persons subject to the law to deposit security with them to assure payment of sales and use tax. After a business ceases to operate, if all tax liability due BOE is satisfied, the balance of the security deposit is available for offset by other taxing agencies prior to issuing the refund. BOE will furnish security deposit refund information upon request. The type of security deposited are: (1) Case Deposits (2) United States Treasury Bonds, and (3) Surety bonds.

Note: Claims cannot be made against the bond for liabilities other than sales and use tax. When issuing a surety bond the insuring company will often require the posting of collateral. Then the bonding company and the nature and amount of collateral can be determined, it is possible to reach this collateral by use of a warrant.

Reference

[Board of Equalization \(BOE\) Department of Tax and Fee Administration \(CDTFA\)](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 07/30/2018

5.0.7.1 Entertainment Guilds

Background

Occasionally a taxpayer is a member of an entertainment guild. An entertainment guild usually consist of taxpayers who work in the entertainment industry (e.g., actors, musicians, producers, etc.). These guilds are good sources to locate contact and asset information to aid in the account scoping and skip tracing process.

Purpose

Franchise Tax Board (FTB) employees can gain contact, employment, and residual verification information by locating a taxpayer's entertainment guild.

Responsibility

FTB employees are responsible for identifying a taxpayer's entertainment guild and obtaining employment and contact information.

Note: FTB employees will follow approved Disclosure Guidelines while skip tracing and contacting entertainment guilds.

Action

FTB employees should try and contact the taxpayer's entertainment guild to determine if a Demand for Information notice is required and proceed with the proper legal action (OTW, EWOT, or COTW).

A Demand to Furnish Information, (FTB 4973) request may be required to obtain information from the following entertainment guilds.

- Producers Guild of America Inc.
 - This group consists of members, nearly all residing in Los Angeles County.
 - Refer to Telephone Contact List for Producers Guild of America Inc address and telephone number.
- Directors Guild of America Inc.

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- This organization represents members worldwide and provides various services, including the administration of a pension plan and insurance program.
- Refer to Telephone Contact list for the Directors Guild of America Inc.
- Motion Picture Personal Video Tape Editors Guild
 - This organization consists primarily of California members.
- Screen Actors Guild Inc. (SAG)
 - SAG is a union that represents performers employed by the movie and television industries.
 - SAG also acts as a clearing agent for receipt of funds due to performers from reruns of movie or television series, known as "residual payments" in the trade. Contact the Screen Actors Guild for residual verification; these residuals can be levied through issuance of an Order to Withhold (OTW).
 - There is a Screen Actors Guild-Producers Pension and Welfare Fund that may be levied.
 - SAG Federal Credit Union may be levied.
- Writers Guild of America
 - The Writers Guild of America represents members in the Western United States, with the majority residing in California. There is also a Writers Guild Foundation and a Writers Guild Industry Trust Fund.
 - [Writers Guild of America West](#)
- Motion Picture Industry (Payroll information)

Reference

[Directors Guild](#)

[Telephone Contact List](#)

Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 09/18/2018

5.1.1.1 Scoping an Account

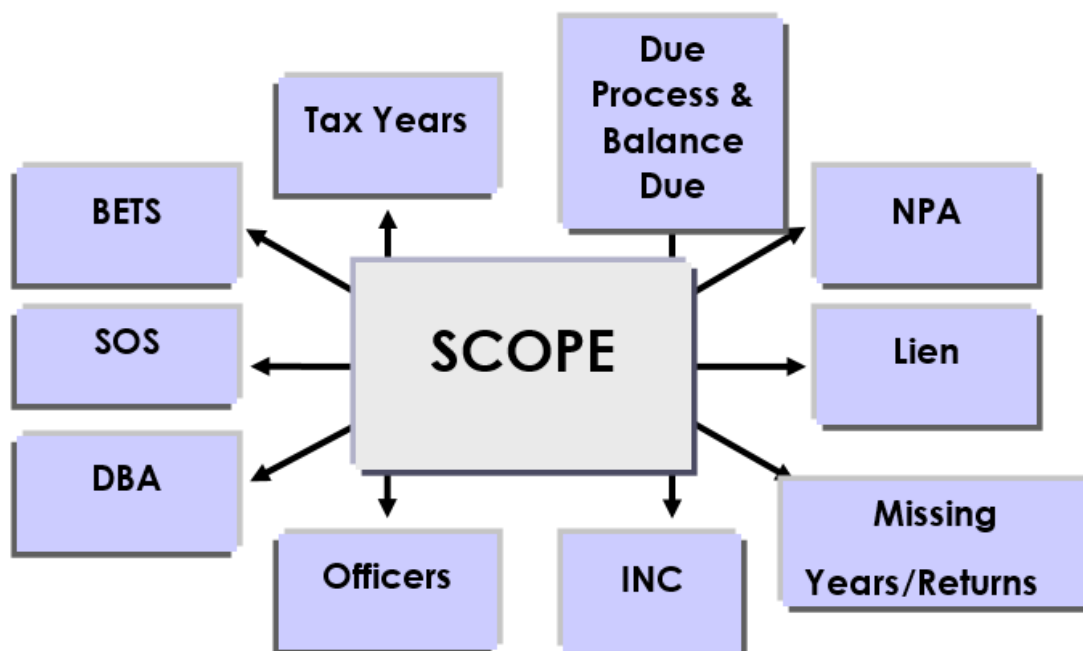
Background

A “scope” is a profile of the business entity’s account. Depending on the unit or section, the terms “scope” and/or “profile” are used interchangeably where as a “skip trace” is the process of locating the business entity’s assets or third party, or gathering information on responsible parties of the business entity (e.g., corporation officer, partner, tax practitioner, etc).

When an account has not reached resolution during the automated collection process, manual intervention becomes necessary. The process Franchise Tax Board (FTB) employees utilize to identify the details of the collectable account is called a scope.

The ability to analyze an account completely, accurately and quickly, is essential for the resolution of the account. A proactive collector may resolve or assist our taxpayers with revivor requirements, installment agreements, misapplied payments, levies or lien issues. Central office and field office collectors work in conjunction with each other to resolve the account. In some instances, central office collectors may refer the case to the field for advance collection actions.

Assigned accounts are processed in accordance with the Statement of Principles of Tax Administration. Collection resources should be directed to workloads that produce the highest benefit to cost ratio. Exceptions will be made where it is necessary to concentrate collection efforts to address serious areas of non-compliance.



Purpose

Scoping will give you a full understanding and background of an account, and decrease production time. By gaining a full understanding you can develop a plan of action, which will resolve the account in the most effective manner.

Responsibility

A scope is entered on a separate Accounts Receivable Collection System (ARCS) history text or Taxpayer Folder (TPF) comments. Each unit or section may require the scope and skip tracing on separate ARCS history text or TPF comments.

Collection accounts are worked as soon as possible after assigned. See your unit guidelines for timeframe expectations. This will minimize losses attributable to delays.

Before taking collection action, each assigned account are carefully analyzed and scoped.

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FTB employees utilize the scope on accounts, which will include, but are not limited to identifying:

- Status – of the Business Entity Active, Suspend, Dissolved, etc.
- Verify the tax year(s) and basis of assessment such as:
 - Self-assessed returns
 - Audit
 - Filing enforcement
 - SOS Penalty
- Balance due for each tax year
- Establishment of due process (if and when due process has been served)
- What notices served due process and which tax years such as:
 - FNBL sent on 1/31/2010 for tax years 12/05, 12/07, and 12/09.
- Duplicate business entity numbers
- Parent sub relationship
- SOS incorporation or registration, cancellation, withdraw/surrender dates. Last date the entity filed the annual statement of officers
- Identify key people (i.e. officers, members, partners, shareholders)
- Verify credits and payments (SOL credit, suspense, etc).
- Pending Notice of Proposed Assessment (NPA Previously discharged years)
- Doing Business As (DBA), business activity
- Lien(s) filed (check the Bank and Corporation Master file for non-converted liens) are valid Returns filed or pending returns (or missing tax returns)
- Missing year – A missing year is any tax year where a tax return or the NPA process has not been addressed for a given year. Third Party Contact [form FTB 1140L](#)
- Any other information pertinent from the Business Entities Tax System (BETS), Integrated Non Filer Compliance (INC) system, ARCS history and the Taxpayer Folder (TPF).
- Verify Statutory Lien Date is correct

SCOPE

Status	Status of the entity and date, (Active, Suspend, Dissolved)
Tax Year:	Basis of Assessments
Balance Due:	Each tax year
Due Process:	Due process for each year, what notice
Payment:	Validate payments including SOL payments or credit
Duplicate #:	Duplication business entity number
Parent sub relationship:	Is corporation filing with a parent corporation
SOS:	Incorporation, registration, cancellation, withdraw, surrender dates.
Key People:	Officers, Members, Partners, Shareholders
NPA:	Any pending NPA or assessments
Previously Discharge:	Account for any previous discharge tax years
DBA:	Any other name entity is doing business by
Lien:	Check to see if liens are filed or not
Return File:	Check to see what returns are filed
Missing Years:	Check to see what returns are not filed
Third Party:	Contacting third party
Payment:	Date, amount, tax year applied
Other:	Pertinent information, BETS, INC, ARCS history, TPF comments, etc.

Comments:	Pertinent comments/history. This area contains collection activities on the account including phone calls and results of actions taken (i.e. COTW no payment, OTW no fund or payments received).
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Action

Upon completion of the scope, FTB employees must enter the information into ARCS in the Collector Review section in ARCS or TPF comments.

The collector's goal is:

- To resolve the account at the earliest point and make the best possible use of collection resources.
- To prevent repeat delinquencies.
- Individually tailored to; the facts of the case, account history, the amount, and basis of assessment to determine the best course of action.
- To address missing years in the first action.
- To use the most expeditious method possible to resolve the taxpayer's account.
- To determine if the account could be more effectively worked by the field offices.

Reference

Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 09/14/2018

5.1.1.2 Skip Tracing Introduction

Background

Skip tracing is a term used to describe a search for information on a business entity and their assets. Franchise Tax Board (FTB) employees analyze collection cases using, scopes and skip traces once the case or account enters the manual process functional area. Accounts lacking current contact or asset information require collectors to skip trace for this information. Skip tracing is essential for additional information once the need for collection activity is identified.

When skip tracing an account it is necessary to understand the [Account Period Inquiry](#) (API) (conversation ((****)) on the Business Entities Tax System (BETS). Within this conversation it is helpful to understand the Account Period Indicator Change Detail screen, these codes will help determine the stage of collections that accounting period is in.

Purpose

FTB employees will skip trace accounts to locate assets, identify third parties associated or affiliated with the business entity, and/or gather contact information on the business entity for purposes of resolving the account. If the FTB employee cannot resolve the account or bring the business entity into compliance, the FTB employee may initiate involuntary collection action(s) which may include seizing assets to satisfy the tax liabilities.

Responsibility

FTB employees are responsible for locating and contacting responsible parties (e.g., corporation officer, partner, tax practitioner, etc.) to pursue contact and asset information. Generally, telephone contact is the first action taken on a case. By using the telephone as the first action, the collector will be able to establish deadlines, gauge commitment of the business entity to resolve the account, locate possible assets, and determine collectability of the account.

FTB employees are responsible for following approved disclosure guidelines when skip tracing.

Action

After an account is analyzed and skip tracing is completed, the FTB employee will attempt to locate a telephone number for immediate contact with either the business entity or a responsible party of the business entity. If a telephone number is not found, the FTB employee will skip trace for address and asset information.

Examples of skip tracing resources are:

- BETS - identify returns, address, status, payments, parent sub-relationship, cross-reference by name and address for any new business entity. If there is a new business and the same type of work, this may be case for a transferee. If the address belongs to a new business owner, this may lead to contact with the new owner if the officer sold the business or the business is inactive.
- Taxpayer Information (TI) System - aid in locating the officer(s) or member(s) of the business. This could reveal if the officer has a personal income tax liability and additional addresses. **Note:** follow unit guidelines to determine if the collector should work both accounts.
- Employment Development Department (EDD) - wage, officer and/or employee information
- Department of Motor Vehicle (DMV) – list of any vehicles (owned or leased), vessels under the business name
- California License information – license type, status, if license has been surrendered out of state.
- Department of Tax and Fee Administration (CDTFA) - information on sales tax, business name, address, telephone number, quarterly gross sales, company officers, bank information, using a different (new) FEIN number
- Secretary of State (SOS) – date of incorporation, Status, Chief Executive Officer, Agent for Process, address, processing agent for out of state COTW. It also may provide history information such as name changes, past suspensions, and merger details.

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- ACES/GenTax – status of business, employees, associated to another business entity, comments on contacts and/or filing.
- Collection Tool Box – links to various collection tools such as government resources, occupational licenses, directories, and asset locators.
- Credit Bureau Report (CBR) – credit score, stocks, mortgage payment, bank, vehicles, address, etc.
- Integrated Nonfiler Compliance (INC) System – locate possible payor information, current and past addresses, telephone numbers, and possible missing years.
- LexisNexis – names, other DBA or business, real and/or business property, vehicles, aircraft, vessels, officers, bankruptcy filing, lien and judgments, civil and criminal court filings, licenses, etc.
- Resource and Development Guide – information regarding specific industries.
- External Websites (such as Google) - provide company website information for address, telephone number, company officers, list of previous and current clients, news articles, patents, etc.

Skip trace	
TI:	Officer or members information
EDD:	Wages information, officers, employers, employees
DMV:	Vehicles, vessels
CA License information:	License type, status, surrendered out of state
CDTFA:	Sales tax, quarterly sales, business name, address, telephone numbers, bank information, etc.

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SOS:	Incorporation, registration, cancellation, withdraw, surrender dates.
ACES/GenTax:	Status of business, employees, associated to another business entity, comments on contacts.
Collection Tool Box:	Links to various collection tools such as, government resources, occupational licenses, etc.
CBR:	Credit score, stocks, mortgage payments, bank, vehicles
INC System:	Possible payor information, current and past address, telephone number.
LexisNexus:	Names, DBA or other business, property, vehicles, officers, lien and judgments, court filings.
Resource and Development Guide:	Information regarding specific industries
External Websites:	Provide company information address, telephone number, company offices, clients, news articles, patents.

All pertinent information located throughout the process of skip tracing needs to be documented in case history on the Account Receivable Collection System (ARCS) and the Taxpayer Folder (TPF).

Note: FTB employees should consider the taxpayer’s type of business when using outside resources to skip trace.

Develop a Plan of Action

The last step involved in analyzing an account through the scope and skip-tracing process is to develop a plan to resolve the account. This will vary from account to account based on the specific issues. The Plan of Action should be documented in the Accounts Receivable Collection System (ARCS) following a Scope and Skip-tracing.

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A Plan of Action keeps the collector on track and focused on resolving the account at the earliest time. It will also allow others working or reviewing to understand what is being done on the account, and what direction the collection efforts are headed. Remember, a Plan of Action may change as work progresses on each account and additional information is developed. As always, it is important to document each change with clear and concise comments so that other individuals working or reviewing the account, understand the course of action and resolution being taken.

To resolve an account, the business entity may need to file missing years and pay the balance due and revive. A plan of action will be needed for this purpose. Another account may involve a business entity that has filed returns, but has failed to pay the balance due. In this case, a Plan of Action would be to levy a bank account (also known as an OTW) if the business entity refuses to voluntarily resolve the account. These potential scenarios will be different for each account, and so will the Plan of Action. A plan of action should be noted on a separate ARCS history line.

Sample Plan of Action:

- Call Business Entity at (916) XXX-XXXX
- Issue Lien in Orange County or the last location of the business
- Issue OTW to BofA
- Issue OTW to WFB
- Issue COTW to ACB Trading Company
- Issue Demand for Information (FTB 4973) to landlord
- Field action request (FAR) to 1235 East Dr., Sacramento, CA

Next or default action:

Always document Next Actions on a separate ARCS history line. This way the next time the account is worked (30-45 days) there will be no need to re-analyze the data to take an action. Next actions are a way to determine if the collector is on the right path and also assist in the development of a proactive collector.

Revised or default Plan of Action (from above)

- Spoke to officer, will file 12/08, 12/10, 12/12 returns on May 1, 20xx or complete a financial statement
- If no return or financial statement, issue OTW B of A (from officer)
- Issue OTW to Tri County Bank (from officer)

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- File lien in Orange County
- Issue COTW to Roadrunner Inc (from officer)
- Issue COTW to Wile Company Inc (from officer)
- Field action request (FAR)to 1235 East Dr., CA (business address) and 1007 Thunder Bolt, CA (Officer’s home address)

By revising the plan of action at different stages of the account, it will help in determining the correct course of action to the final resolution.

Follow-up actions should be prompt, generally within 30-45 days from the last action, depending on the nature of the last action. Correspondence and telephone messages should be responded to as soon as possible, generally within 24-48 business hours.

Note: The collector may take more than one action at a time, as long as it does not deprive the taxpayer of due process or violate FTB policy or the Revenue & Taxation Code.

Note: Please use discretion when commenting the taxpayers ARCS account or TPF. The taxpayer has the right to request a copy of their collection file upon request from the disclosure office.

Reference

((***)
((***)
[LexisNexis](#) ((***)
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Note: (()) = Indicates confidential and/or proprietary information.

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5.2.1.1 Scoping an Account

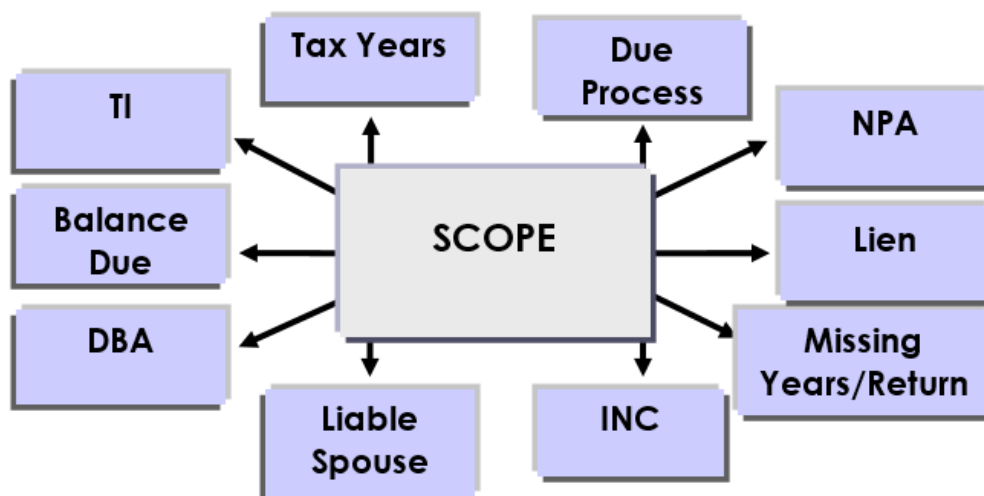
Background

A scope is a profile of the taxpayer's account. Depending on the unit or section, the terms "scope" and/or "profile" are used interchangeably. Where as a "skip trace" is the process of locating the taxpayer, assets, or third party.

When an account has not reached resolution in the automated collection system, manual intervention becomes necessary. A scope is the process that Franchise Tax Board (FTB) employees utilize to identify the details of the account.

The ability to analyze an account completely, accurately and quickly is essential for the resolution of the account. A proactive collector may resolve or assist the taxpayer with filing requirements, installment agreements, misapplied payments, levy or lien issues. Central office and field office collectors work in conjunction with each other to resolve the account. Central office collectors may refer the accounts to the field for advanced actions.

Assigned accounts are processed in accordance with the Statement of Principles of Tax Administration. Collection resources should be directed to workloads that produce the highest cost to benefit ratio, [Government Code Section 16583](#). Exceptions will be made where it is necessary to concentrate collection efforts to address serious areas of non-compliance.



Purpose

Scoping will give you a full understanding and background of an account, and decrease production time. By gaining a full understanding you can develop a plan of action, which will resolve the account in the most effective manner.

Responsibility

A scope is entered on a separate ARCS history text or TPF comment. Each unit or section, may require the scope and skip tracing on a separate ARCS history text or TPF comment.

Collection accounts are worked as soon as possible after assigned. See your unit guidelines for timeframe expectations. This will minimize losses attributable to delays.

Before taking collection action, each assigned account is carefully analyzed and scoped.

FTB employees utilize the scope on accounts, which will include, but are not limited to:

- Verify the tax year(s) and the basis of the assessment/liability(s) such as:
 - Self-assessed returns
 - Audit
 - [Filing Enforcement](#)
- Balance due for each tax year
- Establishment of due process (if and when due process has been served)
- Any duplicate Taxpayer Identification Numbers (TPID)
- Whether or not a liable spouse exists (if so, indicate what years, name and SSN)
- Verify credits and payments (suspense, SOL credits, withholding credits, etc.)
- Pending Notice of Proposed Assessment (NPA)
- Previously discharged years

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- Employer, or if self-employed - Doing Business As (DBA), business type
- Lien(s) filed (list tax year and county for lien)
- Returns filed or pending returns
- Verify Statutory Lien Date is correct.
- Missing year(s) – A missing year is any tax year where a tax return or the NPA process has not been addressed for a given year.
- Third Party Contact ([form FTB 1140L](#))
- Any other information pertinent from the Taxpayer Information (TI) system, or the Integrated Non filer Compliance (INC) system
- A review of comments on ARCS, TI and the Taxpayer Folder

Scope at a Glance

Skip trace	
Taxpayer Information (TI):	Taxpayer or Spouse information
EDD:	Wages information, officers, employers, employees
DMV:	Vehicles, vessels
CA Licenses information:	License type, status, surrendered out of state
BOE:	Sales tax, quarterly sales, business name, address, telephone numbers, bank information, etc.
SOS:	Incorporation, registration, cancellation, withdraw, surrender dates.
ACES/GenTax:	Status of business, employees, associated to another business entity, comments on contacts.
((****))	

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CBR:	Credit score, stocks, mortgage payments, bank, vehicles
INC System:	Possible payor information, current and past address, telephone number.
Lexis Nexis:	Names, DBA or other business, property, vehicles, officers, lien and judgments, court filings.
Resource and Development Guide:	Information regarding specific industries.
Website:	Provide company information address, telephone number, company offices, clients, news articles, patents.

Action

Upon completion of the scope, FTB employees must enter the information into the Collector Review section in ARCS or TPF comments.

The collector's goal is:

- To resolve the account at the earliest point and make the best possible use of collection resources.
- To prevent repeat delinquencies.
- To determine the course of action individually tailored to the facts of the account, account history and the amount and basis of assessment.
- To address missing years in the first contact.
- To use the most expeditious method possible to resolve their accounts.
- To determine if the account could be more effectively worked by the field offices.

Reference

Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 10/03/2018

5.2.1.2 Skip Tracing Introduction

Background

Skip tracing is a term used to describe the use of available resources to aid in the search of a taxpayer and their assets. Franchise Tax Board (FTB) assigned employees analyze collection accounts, and complete scope and skip tracing processes. Accounts lacking current contact or asset information require collectors to skip trace for this information. Skip tracing progresses as the need for additional information and collection activity is identified.

Purpose

FTB employees skip trace accounts to locate assets, identify third parties, and/or gather contact information for purposes of resolving the account. If the FTB employee cannot resolve the account or bring the taxpayer into compliance, the FTB employee may initiate involuntary collection actions which may include seizing assets to satisfy the tax liabilities.

Responsibility

FTB employees are responsible for locating and contacting responsible parties (e.g., taxpayer, spouse, tax practitioner, etc.). They are also responsible for skip tracing to locate contact information, asset information and following approved [disclosure guidelines](#). By using the telephone as the first action, the collector will be able to establish deadlines, gauge commitment of the taxpayer to resolve the account, locate possible assets, and determine collectability of the account.

FTB employees are responsible for following approved disclosure guidelines when skip tracing.

Action

((***)

Examples of skip tracing resources are:

- Taxpayer Information (TI) System – ((***)). Aids in the search for third party contacts, duplicate accounts, and liable spouse(s)

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- TI - Filing Enforcement file (FE) – Tax years 1995-1998 FE information
- TI ((****)) – Employment Development Department (EDD) – Current and up to the past three years of wages earned, employer name, address, and telephone number.
- TI ((****)) – Self-employment information such as business name and occupational license.
- Department of Motor Vehicles (DMV):
 - Taxpayer information - Driver's license number, full name, verification of Social Security Number (SSN), address and date of birth.
 - License information – License type, status, if license has been surrendered out of state.
 - Vehicle information – Vehicle license number and legal owner (possibly a bank).
- EDD - Single Client Data Base ((****)) – Information regarding unemployment claims, taxpayer address, telephone number and date of birth. (Date of birth may help when trying to locate the taxpayer on DMV)
- ACES/GenTax – Information for self-employed taxpayers including business address, telephone numbers, and bank information
- Department of Motor Vehicle (DMV) – list of any vehicles (owned or leased), vessels under the taxpayer name.
- California License information – License type, status, if license has been surrendered or revoked.
- Department of Tax and Fee Administration (CDTFA) – Information for self-employed sales tax, business name, address, telephone number, quarterly gross sales, company officers, and bank information
- Secretary of State (SOS) – Gives date of incorporation, Chief Executive Officer (CEO)/Agent, addresses, processing agent for out of state Earnings Withholding Order for Taxes, etc
- ((****))
- Credit Bureau Report (CBR) – Through the use of [TransUnion](#) locate address, telephone numbers, and credit history
- Trace Plus – Through the use of [TransUnion](#) locate address information and date of death

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Integrated Nonfiler Compliance (INC) System – locate possible payor information, current and past addresses, telephone numbers, and possible missing years

- ((****)) – locate bank information, address, telephone numbers, and possible Doing Business As (DBA).
- Lexis Nexis – Names, other DBA or business, real and/or business property, vehicles, aircraft, vessels, officers, bankruptcy filing, lien and judgments, civil and criminal court filings, licenses, etc.
- Resource and Development Guide – Information regarding specific industries.
- External Websites – such as google. Provide company website information for address, telephone number, company officers, list of previous and current clients, news articles, patents, etc.

Skip trace	
Taxpayer Information (TI):	Taxpayer or Spouse information
EDD:	Wages information, officers, employers, employees
DMV:	Vehicles, vessels
CA Licenses information:	License type, status, surrendered out of state
BOE:	Sales tax, quarterly sales, business name, address, telephone numbers, bank information, etc.
SOS:	Incorporation, registration, cancellation, withdraw, surrender dates.
ACES/GenTax:	Status of business, employees, associated to another business entity, comments on contacts.
((****))	

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CBR:	Credit score, stocks, mortgage payments, bank, vehicles
INC System:	Possible payor information, current and past address, telephone number.
Lexis Nexis:	Names, DBA or other business, property, vehicles, officers, lien and judgments, court filings.
Resource and Development Guide:	Information regarding specific industries.
Website:	Provide company information address, telephone number, company offices, clients, news articles, patents.

All pertinent information located throughout the process of skip tracing needs to be documented in account history on the Account Receivable Collection System (ARCS) and the Taxpayer Folder (TPF).

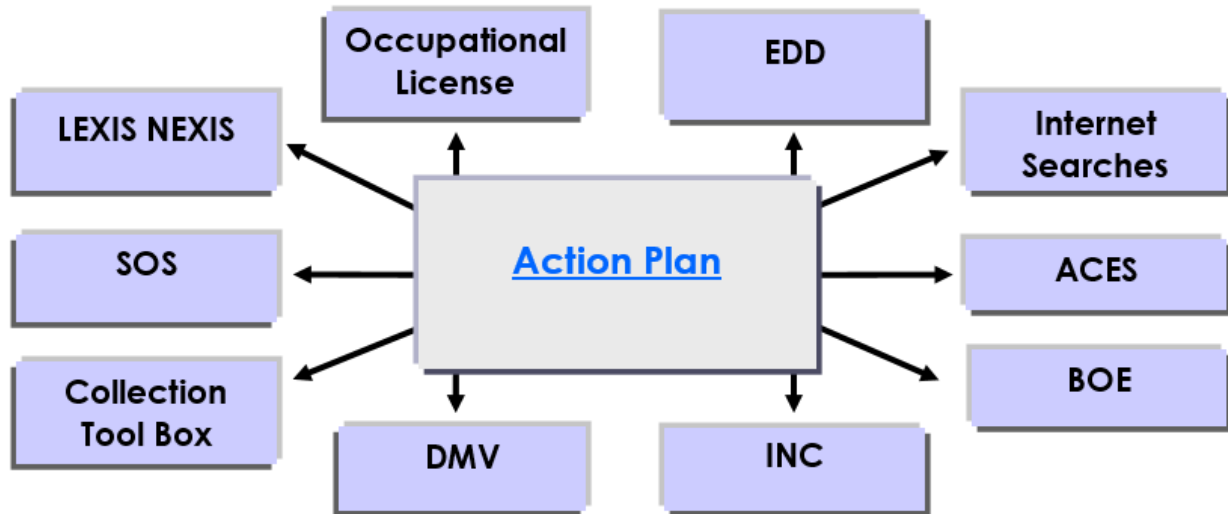
Develop a Plan of Action

The last step involved in analyzing an account through the scope and skip-tracing process, is to develop a plan to resolve the account. This will vary from account to account based on the specific issues. The Plan of Action should be documented in the Accounts Receivable Collection System (ARCS) following the Scope and Skip-tracing.

A Plan of Action keeps the collector on track and focused on resolving the account at the earliest time. It will also allow others working or reviewing to understand what is being done on the account, and what direction the collection efforts are headed. Remember, a Plan of Action may change as work progresses on each account and additional information is developed. As always, it is important to document each change with clear and concise comments so that other individuals working or reviewing the account, understand the course of action and resolution being taken.

To resolve an account, the taxpayer may need to file missing years and pay the balance due. A Plan of action will be needed for this purpose. Another account may involve a taxpayer that has filed returns, but has failed to pay

the balance due. In this case, a Plan of Action would be to levy a bank account (OTW) if the taxpayer refuses to voluntarily resolve the account with an installment agreement. These potential scenarios will be different for each account, and so will the Plan of Action. A plan of action should be noted on a separate ARCS history line.



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Sample Plan of Action:

- Call taxpayer at 916.XXX.XXXX
- Issue Lien in Orange County or the proper county of last residence
- Issue OTW to B of A
- Issue OTW to WFB
- Issue COTW to ACB Trading Company
- Demand for Information (FTB 4973) to landlord
- Field action request to 1235 East Dr., Sacramento, CA

Next or default action:

Always document/summarize Next Actions on a separate ARCS history line. This way the next time the account is worked (30-45 days) there will be no need to re-analyze the data to take an action. Next actions are a way to determine if the collector is on the right path and also assists in the development of a proactive collector.

Revised or default Plan of Action (from above):

- Spoke to taxpayer, will file 12/08, 12/10, 12/12 returns on May 1, 20xx or complete a financial statement
- If no return or financial statement, OTW BofA (from taxpayer)
- Issue OTW to Tri County Bank (from taxpayer)
- File lien in Orange County
- Issue COTW to Roadrunner Inc (from taxpayer)
- Issue COTW to Wile Company Inc (from taxpayer)
- Field action request (FAR) to 1235 East Dr., CA (business address) and 1007 Thunder Bolt, CA (taxpayer's home address)

By revising the plan of action at different stages of the account, it will help in determining the next correct course of action to the final resolution.

Follow-up actions should be prompt, generally within 30-45 days from the last action, if longer, document the nature of the last action. Correspondence and telephone messages should be responded to as soon as possible, generally within 24-48 business hours.

Note: The collector may take more than one action at a time, as long as it does not deprive the taxpayer of due process or, violate FTB policy, or the Revenue & Taxation Code.

Note: Please use discretion when commenting the taxpayer ARCS account or TPF. The taxpayer has the right to request a copy of their collection file upon request from the Disclosure office.

Note: Refer to unit procedures for skip tracing guidelines.

Reference

Disclosure Guidelines

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Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 10/22/2018

5.2.3.1 Airline and Railroad Employees, Merchant Seaman, and Truck Drivers

Background

Wages earned by airline employees, merchant seaman, railroad employees, and truck drivers are not always taxable to the state of California, although the income was earned while in California.

- **Airline Employees:** The wages of a nonresident who is employed by an airline, as a pilot, copilot, flight attendant, etc., are not taxable by California unless more than 50% percent of the individual's scheduled flight time is in California.

Total Wages X Scheduled flight time in CA = wages taxable by total scheduled flight time in California

Note: Flight personnel who are California residents are taxed on all wages received regardless of where the flight time is spent.

- **Merchant Seamen:** [Revenue and Taxation Code Section 17014](#) allows a merchant seaman who is in California only as a result of California being a port-of-call and who maintains no other contact or connections with California to be a nonresident.

A merchant seaman who maintains close connections with California (such as a home, spouse, and children in California) remains a resident while at sea. The absence from California is considered temporary or transitory.

- **Railroad Employees and Truck Drivers:** Effective July 6, 1990 and subsequent, the wages of railroad employees or truck drivers whose regularly assigned duties are performed in two or more states are sourced to their state of residence.

Purpose

Knowledge of these income sources will allow Franchise Tax Board (FTB) employee to assist taxpayers in establishing residency and filing requirements in addition to locating asset information.

Responsibility

FTB employees are responsible to educate taxpayer on the filing requirements for airline employees, merchant seaman, railroad employees, and truck drivers.

Action

FTB employees will advise taxpayers if their wages earned as an airline employee, merchant seaman, railroad employee, or truck driver is taxable in the state of California.

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Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 09/24/2018

5.2.3.2 Indian Reservations and Reservation Income

Background

Per Bureau of Indian Affairs, there are 565 Federal recognized tribes in the United States. Out of these, there are 109 recognized tribes in California. A tribal reservation is considered to be a sovereign nation and is subject to the host country (United State of America's) federal laws and not state (California) laws. Each of the 109 separate tribes located in California can have their own laws to govern themselves citing the 14th Amendment. Many of these tribes can and do have their own laws as long as it does not violate the host country laws. For California, we cannot impose or enforce our laws on sovereign land without a treaty.

What is "Indian country"?

"Indian country" is defined as the following:

- (1) All land within any Indian reservation under the jurisdiction of the United States Government, including rights-of-way running through the reservation;
- (2) All dependent Indian communities within the borders of the United States; and
- (3) All Indian allotments, the Indian titles to which have not been extinguished, including rights-of-way running through the allotments.

Native Americans who meet certain requirements are exempt from California income taxes. For income to be exempt from California income tax, an individual must meet **all** of the following requirements:

- Be a member of a federally recognized Indian tribe
- Live in their Indian country (including reservations, dependent Indian communities, and Indian trust allotments)
- The income must be earned from the same Indian country source where the individual lives and is a tribal member

Note: If an individual lives outside of the Indian country but within California they are subject to California income tax, even if the income was earned in Indian country.

Purpose

Franchise Tax Board (FTB) will not assess tax on Native Americans working and living within Indian country.

Responsibility

FTB employees are responsible to educate taxpayers if they qualify as exempt from California income tax.

California tax does not apply to income earned by a Native American who is a member of the tribe that employs him/her and he/she lives on that tribe's reservation or Indian country connected to that reservation. Accordingly, income of an Indian working on a reservation is not exempt from State tax unless they are a member of the tribe and live on that reservation.

Native Americans who reside off the reservation, but within California, are subject to tax on all income, including the income from reservation sources. In addition, Native Americans who reside on the reservation are taxed on income earned off the reservation.

Action

FTB employees should request documentation to substantiate a taxpayer's claim that they are exempt from California income tax based on living and working on a reservation.

The following requirements must be met for each tax year and applies only to income that meets this criteria:

- 1) The individual must be a member of a federally recognized Indian tribe during the tax year in question and,
- 2) The income in question was earned on the Indian reservation they are a member of and,
- 3) The individual must reside on their Indian reservation or in Indian Country where the income was earned.
- 4) Documents that establish tribal source of income.
- 5) Documents that establish your place of physical residence
- 6) California Enrolled Tribal Member Certification (FTB form 3504), is a declaration of residency in a tribe's Indian country and exemption

from California tax or a signed statement (declaration) from their Tribal Council verifying their residence and tribal membership in Indian country. However, this alone may not be enough to support the claim. The member still must provide documents that support where they claim to live and the time period they lived at that location.

In Addition:

- 1) If the balance is based on an audit; contact the auditor and ask what is required to resolve the issue. Audit sends out a request letter that asks for specific items. Contact the tribal member and obtain information requested.
- 2) If the balance is a filing enforcement (FE) from INC, allow the taxpayer to respond as to why they are not obligated to file. Consider the history of the account and if their response is within reason, cancel the FE.
- 3) If the taxpayer's withholding is disallowed request a copy of the 1099 or 592 B, contact Withholding Services (WSCS) and /or contact the Collection Advisory Team to check the Tribal Excel spreadsheets in our Tribal Folder. (submit ASKCAT question)

Note: If the tribal member is on active duty with the U.S. Military and is stationed in California and his/her orders are to live off the tribal reservation, then California does not tax their tribal or military income.

Reference

((***)

Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 09/24/2018

5.2.3.3 U.S. Government Official

Background

Cal. Rev. & Tax Code 17014(b) provides that any individual (and spouse) who is domiciled in this state shall be considered outside this state for a temporary or transitory purpose and (and thus a California resident) while that individual:

- (1) Holds an elective office of the government of the United States, or
- (2) Is employed on the staff of an elective officer in the legislative branch of the government of the United States as described in paragraph (1),
or
- (3) Holds an appointive office in the executive branch of the government of the United States (other than the armed forces of the United States or career appointees in the United States Foreign Services) if the appointment to that office was by the President of the United States and subject to confirmation by the Senate of the United States and whose tenure of office is at the pleasure of the President of the United States.

The following individuals and their spouses, who are domiciled in California, while they hold the following position(s):

- An elected official of the federal government.
- An employee of the staff of a member of congress.
- A presidential appointee in the executive branch of the federal government.

Purpose

Knowledge of these income sources will allow Franchise Tax Board (FTB) employees to assist taxpayers in resolving their accounts and locate asset information.

Responsibility

FTB employees are responsible for educating taxpayers on the filing requirements for U.S. Government Officials and locating asset information.

Action

FTB employees should be knowledgeable of wages earned by U.S. Government Officials to locate asset information.

Reference

[Revenue and Taxation Code Section 17014](#)

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Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 09/24/2018

5.2.3.4 Vacation Trusts

Background

Many trade unions have contracts that require employers to contribute to employee Vacation Trust Funds (VTF) as part of their benefit package. Such trades that may use VTFs include:

- Construction
- Plumber
- Electrician
- Iron Workers

Employees receive these accumulated funds at a designated time from the trustee, generally quarterly or semi-annually. Orders to Withhold Personal Income Tax (OTW) should be used against VTFs for taxpayers when all other actions have failed to resolve the account.

Franchise Tax Board (FTB) was involved in lengthy litigation to enforce its authority to levy upon VTF. Several VTF administrators contended that federal law (the Employees Retirement Income Security Act of 1974 commonly referred to as ERISA) prohibited them from honoring the OTW. In both cases filed, the courts ruled that FTB's OTWs were not preempted by ERISA and that the VTF's were required to honor the OTWs.

Purpose

The VTF directory ensures that FTB employees have the ability to locate the VTF payor number and the union's local number. This enables FTB employees to secure payment via OTW when other collection avenues have been exhausted.

Responsibility

FTB employees are responsible for utilizing the provided VTF Directory on FTB's website when it has been identified that the taxpayer may belong to a union.

Action

In the event a VTF must be located, FTB employees will use the VTF Directory on FTB's website to locate the correct union local number and FTB payor number. VTF information should be entered on the Accounts Receivable Collection System (ARCS) ((***) (***)). Some VTFs have a very narrow window of time in which a levy must be issued ((***)). The collector should contact the VTF to verify the distribution date and the amount. Type of questions to ask or send a demand for information (form FTB 4973) from the union or vacation trust fund are:

- Taxpayer's last known address and telephone number
- Copy of application or registration form
- If taxpayer has a Vacation Trust Fund, provide a list of payout dates?
- Contact person and phone number for the Vacation Trust Fund
- If Vacation Trust Fund payment is made through direct deposit, provide the name of the financial institution
- Name and address of current employer

Note: Any unusual or contrary responses to the OTW a vacation trust fund should be forwarded to the Collection Advisory Team (CAT) by and Ask CAT questions or mail stop A-240.

Reference

((***) (Currently not Availability)
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Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 09/18/2018

5.2.4.1 Government Employees (State and Federal)

Background

Federal and state employers often require requests for taxpayer information or employment verification to be submitted following their guidelines. This may require special handling when requesting taxpayer information or verifying employment.

Purpose

Franchise Tax Board (FTB) employees may gain contact and employment verification information from locating a taxpayer's government employer.

Responsibility

FTB employees will recognize special procedures for governmental employers and follow approved [Disclosure Guidelines](#) when contacting them.

Action

A Demand to Furnish Information (form FTB 4973) request may be required to obtain information from the following government employers.

[United State \(U.S.\) Post Office](#)

- The U.S. Postal Service has a toll-free number available for verbal verification of employment. The number is 800.276.9850 or 651.406.3600.
- In the event the information obtained from the toll-free number is not sufficient, the employer's local human resources office will need to be contacted for additional information. This includes such items as past verification of employment, income, or health insurance coverage.
- Employment verification requests are processed at the Minneapolis Accounting Service Center.

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- Earning Withholding Orders for Taxes (EWOT) need to be mailed certified to:

MPLS Accounting Service Center
2825 Lone Oak PKWY
Saint Paul, MN 55121-9611

California State Controller

- The State Controller's Office consists of the chief accounting and disbursing officer responsible for all funds due to California and disbursed from the California State Treasury.
- The information available from the Controller's office is:
 - Past and present state employee payroll
 - Withholding (W-2's) of state employees
 - Gasoline tax refunds, inheritance tax, gift tax and tax-deeded land
 - Offsets against other state departments

State Teacher's Retirement System

- The State Teacher's Retirement System covers retirement benefits for all teachers and certain other professional personnel in the public schools of California from pre-kindergarten through community college. The exception is a small group of teachers who have elected to retain coverage by the San Francisco City and County Employee's Retirement system.

Public Employees Retirement System (PERS)

- This agency has a roster of retired state and contracting public agency employees including school district personnel and administrators.

State Personnel Board

- Information available consists of employment verification of past and present state employees.

Defense Finance and Accounting Services (DFAS)

- Information for federal employees:
 - Payroll (for active employees) – 614.693.6549 or 614.693.6598. Personnel – 614.693.6679

- Retired military – 614.692.4165

Additional state and federal agencies can be located on the Telephone Contact List and the Federal Contact List.

Reference

[State Controller's Office](#)

[California State Teachers' Retirement System - CALSTRS](#)
[Defense Finance and Accounting Services](#)

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Note: (()) = Indicates confidential and/or proprietary information.
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Last Revision: 09/24/2018

5.2.4.2 Military Personnel – Active Duty

Background

The terms, military, naval forces of the United States, or armed forces of the United States include all regular and reserve components of uniformed services which are subject to the jurisdiction of:

- The Secretary of Defense
- The Secretary of the Army
- The Secretary of the Navy
- The Secretary of the Marine Corps
- The Secretary of the Air Force
- The United States Coast Guard

There is a central personnel center for each branch of the Armed Forces listed above. By submitting an inquiry letter, demand for information (form FTB 4973) to the correct service locator, Franchise Tax Board (FTB) employee may obtain the exact military address of a taxpayer. Once the taxpayer's contact information has been obtained from the military branch/personnel office FTB employees can:

- Contact the taxpayer directly.
- Contact the Commanding Officer of the Military Command where the taxpayer is stationed to forward any information necessary.

Military members:

How does one garnish the wages of a member of the military?

Members of the active duty military are not subject to garnishment for commercial debt;

"FTB is not considered to be a commercial obligation and our EWOT will not be honored for those who are on active duty."

However, their pay can be attached through the military involuntary allotment process or a court ruling signed by a judge.

Therefore, we do not garnish the wages of serving members of the Armed Forces. We have the legal authority to do so under federal law but our process of administrative levies does not meet the legal process requirements necessary to garnish the pay of serving Armed Forces

personnel. It should also be noted that the department's management has made it an informal policy that we do not garnish their pay. FTB have blocked payor numbers identified as service member payor numbers only.

Note: The Military Contact List can be used to locate information for each branch of the Armed Forces.

Purpose

The Military Personnel – Active Duty contact list is used as an information source to ensure FTB employees has the ability to locate and contact the taxpayer (should they be active in the military) for resolution of their liability.

Responsibility

FTB employees are responsible for utilizing the Military Contact List when a taxpayer is employed by the armed forces. FTB employee should contact the taxpayer or their Commanding Officer by telephone or correspondence to seek resolution of the account.

Military involuntary allotment:

Creditors who have been awarded a civil judgment against a military member may seek enforcement of the judgment by applying for an involuntary allotment from the member's military pay. A judge, not the clerk of the court, must sign the final judgment. The Department of Defense must be served with an original and two copies of both the form and the judgment.

To attach the pay of an active duty service member, a creditor must submit the following documents: DD Form 2653 (Involuntary Allotment Application) and a copy of the final judgment, certified by the clerk of court. The creditor (FTB) must send an original DD Form 2653; an original certified copy of the final judgment and two (2) copies of the entire package. The package must be served to Defense Finance and Accounting Service in Cleveland, OH. The garnishment must direct the employing agency to withhold money from the employee's wages and pay them to either the creditor or the court.

If approved, the allotment can pay up to a maximum of 25 percent of the member's disposable pay per monthly pay period.

Because the regulation mandates that military members be allowed 90 day notice before payments can begin, **payments start 90 to 120 days after we received the complete application.**

Note: FTB currently only pursues individuals who are classified as civil government employees, non-active duty, or any other governmental employee not listed as military personnel.

Action

Refer to the Military Contact List to locate and contact the taxpayer or Commanding Officer by telephone or correspondence. A Demand to Furnish Information (form FTB 4973) may need to be mailed to receive information.

If the information list the taxpayer place of domicile, this might be a consideration for abatement. However, if the income is earned in California outside of the military income, the income is taxed by California such as:

- Part-time income
- Spouse income

Domicile is defined, for tax purposes, is where an individual has a true, fixed, and permanent home or voluntarily establish themselves and family, not merely for a special or limited purpose. It is where, whenever absent, the individual has the intention of returning.

Military Combat Zone - Pursuant to [Revenue and Taxation Code Section 18571](#), collection action will be stayed on accounts of taxpayers serving in a combat zone. FTB will stop collection action on any account where the taxpayer, the taxpayer's spouse or representative contacts FTB regarding an Order To Withhold for Taxes, Earnings Withholding Order for Taxes, or other collection notice and notifies FTB that the taxpayer is serving in the combat zone.

If information is received that a taxpayer is in a combat zone or a qualified hazardous duty area (QHDA), collection activity is- to be suspended until they are redeployed. ((***)

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Note: (()) = Indicates confidential and/or proprietary information.

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Last Revision: 08/02/2018

5.2.4.3 Incarcerated Taxpayers

Background

Collection actions against incarcerated taxpayers are to be suspended until their release unless they have the ability to pay their outstanding balance. Franchise Tax Board (FTB) employees have the ability to contact the Federal Bureau of Prisons, [California Department of Corrections](#), and some [California county](#) jails to verify a taxpayer has been incarcerated.

Although a taxpayer may be incarcerated, it does not elevate the taxpayer of their filing obligation. Section 18501 of the Revenue & Taxation Code, requires every individual taxable under the California Personal Income Tax Law to file a tax return if he or she receives at least a specified amount of income. The income received prior to being incarcerated or after release from incarceration may require a tax return being filed.

Purpose

Locating incarcerated taxpayers allows FTB employees to determine the location of the taxpayer, date of incarceration, and the pending release date so collection action(s) can resume at that time.

Responsibility

If it has been identified a taxpayer is incarcerated, FTB employees are responsible for determining where the taxpayer is located and when collection action(s) can resume. In addition, FTB employees should check the internet about news on the location and possible arrest of taxpayers where the taxpayer is not incarcerated but has been arrested.

Action

FTB employees will contact the following in regards to incarceration information:

- [Federal Bureau of Prisons](#)
 - Determines the whereabouts of a federal prisoner. Information to be provided to the bureau to locate the taxpayer:

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- The taxpayer's name
 - Social security number
 - Date of birth
 - Request the identification number of the prisoner
 - Send a demand for information, form FTB 4973, to the records department of the prison. Include the prisoner's identification number and request the pending release date.
- [California Department of Corrections](#)
 - The Department of Corrections is responsible for the operation of the state's prisons, conservation camps, community services and parole programs. This department maintains a record of all persons incarcerated in California during the past 30 years.
 - A Demand to Furnish Information form FTB 4973 may be necessary to obtain information.
 - For inmate information FTB employee may call (916) 445-6713 to find information on:
 - Name
 - Inmate number
 - County
 - Term of incarceration
 - Description of inmate
 - Date of birth
- California County Jails
 - County jails have records of all inmates held in the county jails.
 - [Los Angeles County Jail](#) and [San Diego County Jail](#) allow access to inmate information through the Internet.
 - Not all counties make their inmate information readily available and a Demand to Furnish Information (form FTB 4973) may be necessary to obtain information.

Note: All the information should be entered into ARCS and/or the Taxpayer Folder (TPF).

Reference

[California County Websites](#)

[Federal Bureau of Prisons](#)

[Department of Corrections](#)

((***)

Note: (()) = Indicates confidential and/or proprietary information.

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