



FRANCHISE TAX BOARD
 INC BUSINESS SECTION J40
 PO BOX 942840
 SACRAMENTO CA 94240-0040
 PHONE: (866) 204-7902
 FAX: (916) 855-5646

DEMAND FOR TAX RETURN

01/03/2005

CODE NUMBER: 25



Notice Number: 01-██████████

BRYAN T ██████████
 ██████████
 SAN DIEGO CA ██████████

2 **FEBRUARY 2005**

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Your reply is due:
Wednesday,
February 02, 2005

You must respond by 02/02/2005

Why do we believe you need to file a 2003 California income tax return?

We have no record of your: 2003 California personal income tax return

We received information from **NATIONAL ASSOCIATION OF SECURITIES DEALERS** that you either held an active professional/business license in 2003, or sales permit with their agency, **OR** that you had employees working for you. The average income reported by individuals working in your occupation indicates that you may have received sufficient income to have a filing requirement.

under the following social security number:
218-92-8487

We have also received information that you earned other California income from but not limited to:
TD WATERHOUSE BANK
NATL INVESTOR SERVICES CORP.
EQUISERVE, INC.

This notice is a demand for your 2003 tax return.

We checked our records, but we could not locate a 2003 California personal income tax return for you. We understand that you may have already filed your return, or you may not have had a chance to file for 2003 yet, or that you may not have a filing requirement. We would like to work with you to resolve this matter as soon as possible. Refer to the Filing Requirement Guidelines on Page 2 of this notice for 2003 income and filing requirements. You must file even if you believe you are due a refund.

Filed Already?

What should you do to respond to this notice?

The quickest way to resolve this matter is to visit our Website at www.ftb.ca.gov/inc. You can also call our automated phone service at (866) 204-7902. You will be prompted to enter the social security number under which you filed your tax return, so please have a copy of your return ready. Or, **complete Section A** of the "Reply to FTB" (enclosed) and send it in with a copy of your return by February 02, 2005.

No Filing Requirement?

If you believe you do not have a requirement to file, or are unsure if you have a requirement to file, quick resolution is available through our Website at www.ftb.ca.gov/inc. You may also call our automated phone service at (866) 204-7902 (available 24 hours a day) or **complete Section B** of the "Reply to FTB" (enclosed) and return it to us by February 02, 2005.

Haven't Filed Yet?

If you have a requirement to file but have not filed yet, please **complete your 2003 personal income tax return** and send it to us. Since you did not file your return on time, we will assess a late filing penalty and applicable interest if your return shows a balance due. In addition, if you do not file by February 02, 2005 we will assess tax, a demand penalty of \$951.25, interest, and a cost recovery fee.

Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.



Download forms from our Website at www.ftb.ca.gov



Call us at (800) 338-0505 to have forms mailed to you.



Request forms by writing to:
 Tax Forms Request Unit
 Franchise Tax Board
 PO Box 307
 Sacramento CA 95741-0307

2003 CALIFORNIA FILING REQUIREMENT GUIDELINES

Read down the first column to find your filing status at the end of 2003. Read across to find your age at the end of 2003, and number of dependents you are entitled to claim for 2003. You must file a return if either your California gross income or your California adjusted gross income was more than the amount shown for your filing status, age, and number of dependents.

Even if you do not have a filing requirement based on the chart below, you should file a return in order to get a refund if California state income tax was withheld from your pay, or if you made California estimated tax payments.

On 12/31/03, my filing status was:	and on 12/31/03, my age was:	California Gross Income ¹			California Adjusted Gross Income ²		
		Dependents			Dependents		
		0	1	2 or more	0	1	2 or more
Single or Head of Household	Under 65	12,346	20,913	27,338	9,877	18,444	24,869
		16,446	22,871	28,011	13,977	20,402	25,542
Married filing jointly or ³ Married filing separately	Under 65 (both spouses)	24,692	33,259	39,684	19,753	28,320	34,745
	65 or older (one spouse)	28,792	35,217	40,357	23,853	30,278	35,418
	65 or older (both spouses)	32,892	39,317	44,457	27,953	34,378	39,518
Qualifying widow(er)	Under 65		20,913	27,338		18,444	24,869
			22,871	28,011		20,402	25,542
Dependent of another person - any filing status	Any age	More than your standard deduction					

- 1 California gross income is all income you received in the form of money, goods, property, and services from all sources that are not exempt from tax. Gross income does not include any adjustments or deductions.
- 2 California adjusted gross income is your federal adjusted gross income from all sources reduced or increased by all California income adjustments.
- 3 The income of both spouses must be combined; both spouses may be required to file a return even if only one spouse had income over the amounts listed.

ANSWERS TO FREQUENTLY ASKED QUESTIONS

Q: What if I can't pay the amount due on my return?

A: It is important that you file even if you can't pay. We will work with you to set up a monthly installment agreement once you file your return. For more information, call (916) 845-4470. To make credit card payments, call (888) 2 PAY-TAX and enter code 1555.

Q: I am not a California resident. Why did I get this notice?

A: Even if you're not a resident of California, you must file a California tax return and pay tax on income derived from a California source. Examples of California source income include gain from the sale of property located in California, income from a partnership or S corporation doing business in California, wages earned while working in California, income from a California rental property, and payments received for services performed in California. You should file your return using our Form 540NR. For additional information on nonresident or part-year resident filing requirements, please see FTB Pub. 1031 (or FTB Pub. 1032 for military personnel).

Q: I can't locate my W-2 form. What should I do?

A: Contact your employer and ask for a copy to be sent to you. If you can't get a copy, you may report your income on our Substitute for Form W-2 form (FTB 3525). You can get this form on our Website, www.ftb.ca.gov, or by calling our toll-free number (800) 338-0505

Q: What will happen if I don't respond to this notice?

A: The law requires you to respond to this demand notice by: (1) filing your 2003 California personal income tax return, or (2) providing information that you do not have a requirement to file, or (3) showing that you have already filed your 2003 tax return.

If you don't file the required return, we will assess:

- **Tax** - Tax is based upon information available to us.
- **A Late Return Penalty** - If you don't file your income tax return by the extended due date, we impose a penalty of 5 percent of the tax due, after applying any payments and credits made on or before the original due date, for each month or part of a month the return is late. The maximum penalty is 25 percent. We impose the penalty from the original due date of the return. (For a return that shows a balance due, the minimum penalty for filing a return more than 60 days late is \$100 or 100 percent of the tax due after applying timely payments and credits, whichever is less.) (R&TC Section 19131)
- **Interest** - Interest accrues on unpaid liabilities from the original due date of the return until the date we receive payment. We also charge interest on penalties. (R&TC Section 19101)
- **A Demand for Return or Information Penalty** - If we send you a demand to file your income tax return or to provide us with information, and you do not comply, we impose a penalty of 25 percent of the tax liability before applying any payments or credits. **Therefore, you may owe penalties and interest even if your tax return shows a refund is due.** This penalty is in addition to the 25 percent late return penalty. (R&TC Section 19133)
- **Cost Recovery Fees** - We charge you cost recovery fees if we must take collection action to resolve your filing and payment delinquencies. Cost recovery fees may include a filing enforcement fee, a collection fee, a lien fee, and fees to cover the cost of seizing and selling property. (R&TC Sections 19254, 19209, 19233, and 19234)

B CONTINUED

Continued. If you were a part-year or nonresident of California in 2003, complete questions 1-8 below:

1. Number of months during 2003 that you were a California resident.....
2. Total amount of gross income you received from ALL sources.....
3. Total amount of income earned (before expenses) for services you performed in California, reported on federal form 1099.....
4. Realized gain from California property sale.....
5. Total wages earned while a California resident and wages earned in California while a nonresident.....
6. Income (before expenses) earned while a self-employed California resident or income earned in California while a nonresident (if not listed above).....
7. Income reported to you on Schedule K-1 from a partnership doing business in California or from a California S corporation.....
8. All other income from a California source (if not listed above).....
9. Total of lines 3 through 8.....

Please refer to the 2003 California Filing Requirement Guidelines on Page 2 of this notice.

If the total on line 2 above meets the minimum income amounts for your filing status and number of dependents and you have California income on line 9, you have a requirement to file a California income tax return. Or if your income from line 9 will result in \$1 or more of California tax, you are required to file a 2003 Form 540NR, California Nonresident Tax Return. Please do so by February 02, 2005

If your income is less than the minimum income amounts for your filing status and number of dependents, you do not have a California filing requirement. Please complete, sign, and return this form so we may correct our records.

Thank you for the information. Please sign and return this reply by February 02, 2005

C If sections A or B do not reflect your situation, please use the space provided below for explanation:

I declare under penalty of perjury that the above statements are true and correct to the best of my knowledge and belief. If you have moved, please provide your new address below.

Signed: _____

Daytime Phone: _____

Best Time to Reach You: _____
 (Between 8am and 5pm Monday-Friday)

New Address: _____

DOWNLOADED FROM:

***Sovereignty Education and Defense Ministry
(SEDM) Website***

<http://sedm.org>

