



STATE OF CALIFORNIA  
 FRANCHISE TAX BOARD  
 PO BOX 942867  
 SACRAMENTO CA 94267-0041

(800) 852-2753

**NOTICE OF PROPOSED ASSESSMENT**

We propose to assess additional tax on your account for the taxable year shown below. We explain why below. See the enclosed *Personal Income Tax Notice of Proposed Assessment Information* for more information on your rights and responsibilities. Please refer to side 2 of this notice for current interest and penalty rates.

DANTE [REDACTED]  
 [REDACTED]  
 SAN JOSE CA [REDACTED]

Date: 02/08/05  
 Taxable year: 2000  
 Account No.: [REDACTED]  
 NPA No.: [REDACTED]  
 Rev. Cd.: [REDACTED]  
 D.L.N.: [REDACTED]  
 Proposed: 4,043.17  
 PROTEST BY: 04/11/05

INCOME AS REPORTED OR REVISED		\$	-2,810.00
INTEREST INCOME	19.00		
INTEREST INCOME	58.00		
WAGES	56,798.00		
DIVIDENDS	56.00		56,931.00
REVISED TAXABLE INCOME			54,121.00
FILING STATUS - MARRIED FILING SEPARATE			
TAX - TABLE			3,277.00
EXEMPTIONS: PERSONAL			75.00
TOTAL TAX LIABILITY			3,202.00
LESS PREVIOUSLY ASSESSED			0.00
ADDITIONAL TAX			3,202.00
INTEREST TO 02/08/05			841.17
TOTAL ADDITIONAL TAX AND INTEREST		\$	4,043.17

THE ADJUSTMENTS ON THIS NOTICE ARE BASED ON INFORMATION PROVIDED TO US BY THE INTERNAL REVENUE SERVICE. THE INTERNAL REVENUE SERVICE IS AUTHORIZED UNDER INTERNAL REVENUE CODE SECTION 6103(D) TO DISCLOSE TAX RETURN INFORMATION TO THE FRANCHISE TAX BOARD. WHERE STATE AND FEDERAL TAX LAWS ARE THE SAME, WE FOLLOW THE FINDINGS OF THE INTERNAL REVENUE SERVICE TO THE EXTENT THEY APPLY UNDER CALIFORNIA TAX LAW.

PLEASE COMPARE THE ADJUSTMENTS ON THIS NOTICE WITH THE ADJUSTMENTS ON THE MOST RECENT FEDERAL AUDIT REPORT FOR THE TAXABLE YEAR SHOWN ABOVE.

IF YOU BELIEVE THE ADJUSTMENTS ON THIS NOTICE ARE INCORRECT OR IF THE ADJUSTMENTS ON THE MOST RECENT FEDERAL AUDIT REPORT ARE DIFFERENT FROM THE ADJUSTMENTS ON THIS NOTICE, PLEASE SEND US A COMPLETE COPY WITH YOUR PROTEST LETTER.

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DANTE

YOU MAY BE ELIGIBLE TO APPLY FOR CALIFORNIA'S TAX AMNESTY PROGRAM WITH RESPECT TO THE AMOUNTS SHOWN ON THIS NOTICE OF PROPOSED ASSESSMENT. TAX AMNESTY ALLOWS ELIGIBLE TAXPAYERS TO PAY THE TAX AND INTEREST AND HAVE CERTAIN PENALTIES AND FEES WAIVED. THE AMNESTY PROGRAM APPLIES TO TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 2003. TO FIND OUT HOW YOU CAN PARTICIPATE, TO GET MORE INFORMATION ABOUT THE TAX AMNESTY PROGRAM OR TO GET ANY FORMS YOU MAY NEED, VISIT OUR WEBSITE AT: WWW.FTB.CA.GOV, OR CALL US AT (800) 852-5711.

NOT EVERYONE REALIZES AN IMMEDIATE BENEFIT UNDER AMNESTY BECAUSE AMNESTY ONLY ELIMINATES CERTAIN PENALTIES AND FEES. HOWEVER, IF YOU HAVE AN EXISTING OR PENDING TAX LIABILITY FOR A TAXABLE YEAR BEGINNING BEFORE JANUARY 1, 2003, AND YOU DO NOT TAKE PART IN AMNESTY, WE WILL IMPOSE SUBSTANTIAL NEW PENALTIES AFTER THE AMNESTY PERIOD EXPIRES. THE PENALTIES ARE EQUAL TO 50 PERCENT OF ANY INTEREST YOU MAY OWE ON THIS LIABILITY WHEN IT BECOMES FINAL OR ON ANY OTHER UNPAID LIABILITY AS OF MARCH 31, 2005.

IMPORTANT: IF YOU APPLY FOR AMNESTY, YOU GIVE UP YOUR RIGHT TO PROTEST, APPEAL, FILE A CLAIM FOR REFUND OR CREDIT, OR SETTLE AMOUNTS FOR WHICH YOU HAVE SELECTED AMNESTY. IF YOU CHOOSE NOT TO APPLY FOR AMNESTY, BUT WISH TO PAY ALL OUTSTANDING LIABILITIES DUE OR THAT WILL BECOME DUE TO AVOID THE PENALTIES APPLICABLE AFTER AMNESTY EXPIRES, YOU MUST PAY YOUR TAX OBLIGATION IN FULL BY MARCH 31, 2005.

IF YOU BELIEVE THIS NOTICE IS INCORRECT, PLEASE FOLLOW THE PROTEST PROCEDURE DESCRIBED ON THE ENCLOSED PERSONAL INCOME TAX NOTICE OF PROPOSED ASSESSMENT INFORMATION (FORM FTB 7275). BE SURE TO PROVIDE THE INFORMATION REQUESTED IN THE PROTEST PROCEDURE.

YOUR PROTEST MUST BE SENT OR DELIVERED BY 04/11/05.



FTB 7275

# Personal Income Tax Notice of Proposed Assessment Information

In this document, we refer to the California Revenue and Taxation Code as R&TC.

## GENERAL INFORMATION

The accompanying Notice of Proposed Assessment advises you that we intend to assess additional tax or penalties. To allow you time to review and respond to the notice, we will take no further action before the "protest by" date shown on the front of the notice.

## AGREE

If you agree with the proposed assessment, please pay the additional tax, penalties, and interest shown on the accompanying notice. Do not submit Form 540X, *Amended Individual Income Tax Return*. Additional interest accrues from the date of the notice to the date we receive your payment. However, we will not charge additional interest if we receive your payment in full within 15 days of the day we mailed the notice.

## Payment Procedure

To receive proper credit for your payment, please do the following:

- Provide a check or money order payable to Franchise Tax Board.
- On the payment, write your social security or taxpayer identification number and the taxable year shown on the accompanying notice.
- Attach the payment to a copy of the notice and mail them to:

FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-0021

## PROTEST (Disagree)

If you disagree with the proposed assessment you can file a protest with us by the "protest by" date shown on the front of the accompanying notice. If you do not file your written protest by this date, the assessment will become final and we will bill you for the amount due, including penalties and interest. (R&TC Sections 19041 and 19042)

## Filing A Protest will not stop the accrual of interest.

We will not charge additional interest if we receive payment in full within 15 days of the date we mailed the notice. If you pay the additional tax, penalties, and interest due, or pay the full amount under our cash bond procedure, you will stop the further accrual of interest without losing your right to contest the disputed amount. (R&TC Sections 19041.5 and 19335)

## Protest Procedure

Your written protest must clearly state what you are protesting and why. You must file it by the "protest by" date shown on the front of the accompanying notice.

Please include:

- Your name and address.
- Your social security or taxpayer identification number.
- The amounts and taxable years you are protesting.
- A statement of facts.
- Points in support of your position.
- Your explanation of why our assessment is wrong.
- Your signature or your authorized representative's signature.
- Your daytime telephone number or your authorized representative's name, daytime telephone number, and mailing address.
- A copy of the Notice of Proposed Assessment.
- A completed *Power of Attorney Declaration for the Franchise Tax Board* (form FTB 3520) if you want someone to represent you during the protest process. Specific instructions for completing and filing a power of attorney declaration are available at our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov).

Mail your protest to:

PROTEST SECTION  
FRANCHISE TAX BOARD  
PO BOX 942867  
SACRAMENTO CA 94267-5540

We will grant you a hearing if you request it in your protest. Your authorized representative may represent you at the hearing. Once we consider your protest and make a decision, we will send you a written notification.

## INTEREST

Interest accrues on unpaid liabilities from the original due date of the return until the date we receive payment in full. We also charge interest on penalties. (R&TC Section 19101)

## PENALTIES

### Estimated Tax Penalty

We impose this penalty if you do not pay, pay late, or underpay an estimated tax installment. We calculate the penalty on the unpaid amount from the due date of the estimated tax installment to the date we receive your payment or to the due date of the return, whichever is earlier. Please see the interest rates listed on the back of the accompanying notice. (R&TC Section 16136)

### Underpayment and Monthly Penalty

We impose a penalty if you do not pay the total amount due shown on your tax return by the original due date. The penalty is 5 percent on the unpaid tax, plus 0.5 percent on the unpaid tax for each month or part of a month it remains unpaid. The maximum penalty is 25 percent of the unpaid tax. (R&TC Section 19132)

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## Late Return Penalty

If you do not 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)

## 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 on our assessment before applying any payments or credits. **Therefore, you may owe penalties and interest even if your tax return shows a refund due.** This penalty may be in addition to any 25 percent delinquent return penalty. (R&TC Section 19133)

## Accuracy and Fraud Penalty

Under certain circumstances, if you understate your tax liability, we may impose a penalty equal to 20 percent of the related underpayment. We may also impose a fraud penalty equal to 75 percent of the related underpayment. (R&TC Section 19164)

## Dishonored Payment Penalty

We impose a penalty if your financial institution does not honor a payment you make to us by check, money order, or electronic funds transfer. For a payment of \$750 or more, the penalty is 2 percent of the payment amount. For a payment of less than \$750, the penalty is \$15 or the payment amount, whichever is less. (R&TC Section 19134)

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## FEES

### 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, 19221, 19233, and 19234)

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## BILL OF RIGHTS HIGHLIGHTS

The California Taxpayers' Bill of Rights ensures that we adequately protect the rights, privacy, and property of all California taxpayers during the process of assessing and collecting taxes. The following information may be helpful to you if we begin collection actions on your tax liability.

### Alternatives to Collection Actions

If you contact us, you can prevent collection actions by doing any of the following:

- Paying your tax liability in full.
- Making an installment agreement.
- Filing any required returns or providing proof that no return is due.

- Making an Offer in Compromise that we accept.
- Establishing that your financial hardship prevents you from paying this liability.

## Laws Regarding Collection Actions

**Third Party Contacts:** We may contact third parties to determine or collect your tax liabilities. To the extent the law allows, we will provide you, upon your request, a list of individuals or organizations we contacted during the 12-month period following the date of the enclosed notice. We must receive your request no later than 60 days after the 12-month period has ended. (R&TC Section 19504.7)

**Installment Agreement Cancellation:** If we cancel your installment agreement, we will notify you in writing 30 days prior to the cancellation. (R&TC Section 19008)

**Tax Liens:** If we file a tax lien, you can get it released by paying the total tax liability (including any penalties and accrued interest) for the tax years represented by the lien. We will record a certificate of release in the office of the county recorder where we filed the tax lien and/or with the California Secretary of State no later than 40 days after you pay the liability. If you pay by check, the 40-day period does not begin until your financial institution honors the check. (R&TC Section 19206)

Unfortunately, we sometimes file a tax lien in error. If this happens to you, please write to us and tell us why you think we are wrong. If we agree with you, we will send a notice to the applicable county recorder's office and to credit reporting companies in that county stating that we filed the tax lien in error. (R&TC Section 21019)

**Bank, Wage, or Other Levies:** If we take your property and you believe our action is improper, you have the right to a hearing. At the hearing, you should provide information that demonstrates to us the need to change or withdraw our levy or stop the sale of your property.

If we seize your bank account in error, and you did not contribute to that error, we may reimburse you for related bank charges. You must file your reimbursement claim within 90 days of the the levy. (R&TC Section 21018)

The California Code of Civil Procedure Sections 700.010 through 704.995, and the California Revenue and Taxation Code Sections 18670 and 18671 govern the seizure and sale of real and personal property. The California Code of Civil Procedure Sections 706.020 through 706.154 govern wage garnishment.

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## RIGHTS AS A TAXPAYER

One of our goals at the Franchise Tax Board is to make certain we protect your rights. We want you to have the highest confidence in the integrity, efficiency, and fairness of our state tax system. The **California Taxpayers' Bill of Rights** (FTB Pub. 4058) includes information on your rights as a state taxpayer and how to request written tax advice from the Franchise Tax Board.

You can order the **California Taxpayers' Bill of Rights** by: Telephone: (800) 338-0505  
(Select Personal Income Tax Forms)

Mail: FRANCHISE TAX BOARD  
PO BOX 942840  
SACRAMENTO CA 94240-0040

Website: [www.ftb.ca.gov](http://www.ftb.ca.gov)

In keeping with the California Taxpayers' Bill of Rights, we have a **Taxpayer Advocate** who reviews cases where taxpayers have been unable to resolve their problems with us through regular channels. Contacting the Taxpayer Advocate, however, is not a protest and does not extend the period of time for filing one. To file a protest, please follow the protest procedure explained on this insert.

You have the right to an independent administrative review if we levy your income or assets, or file a tax lien. You must submit your request for review within 30 days of the date of the levy notice or within 15 days of the date of the tax lien notice.

You can contact the **Taxpayer Advocate** by:

Mail: TAXPAYER ADVOCATE BUREAU  
PO BOX 157  
RANCHO CORDOVA CA 95741-0157

FAX: (916) 845-6614

Website: [www.ftb.ca.gov](http://www.ftb.ca.gov)

## FRANCHISE TAX BOARD PRIVACY NOTICE

The privacy of your income tax information is of the utmost importance to us.

### Your Rights

You have a right to see our records that contain your personal information. We must tell you why we ask for your income tax information and to whom we may provide it. You also have the right to question the accuracy of the information contained within your file.

### Your Responsibilities

If you meet certain income requirements, you must file a return on the forms we prescribe. When you file the return and related documents, you must include your social security number for identification and return processing. (R&TC Sections 18501, 18621, and 18624)

### Reasons for Information Requests

We ask for return information so we can administer tax laws fairly and correctly. We may request additional information to resolve audit or collection issues. You must furnish all requested information.

### Consequences of Noncompliance

We charge penalties and interest if you meet income requirements but do not file a return or provide the information we ask for, or if you provide fraudulent information. In certain cases, if you provide fraudulent information, we may pursue criminal prosecution. We may also disallow your claimed exemptions, exclusions, credits, deductions, or adjustments. This could increase your tax liability, or delay or reduce any refund.

## Information Disclosure

We may disclose your tax information to:

- The Internal Revenue Service.
- Other states' income tax officials.
- The Multistate Tax Commission.
- Appropriate California government agencies and officials.
- Third parties when necessary to determine or collect your tax liabilities.

If you owe us money, we can disclose the amount due to employers, financial institutions, county recorders, vacation trust funds, process agents, or others who may hold assets belonging to you.

## Responsibility for the Records

The director of the Information Management Bureau is responsible for maintaining Franchise Tax Board's records. You can obtain information about your records by:

Telephone: (800) 852-5711 within the United States  
(916) 845-6500 outside of the United States (not toll-free)

Mail: DISCLOSURE OFFICER MS B-1  
FRANCHISE TAX BOARD  
PO BOX 1468  
SACRAMENTO CA 95812-1468

## TELEPHONE AND INTERNET ASSISTANCE

From within the United States, call . . . (800) 852-5711  
From outside the United States, call . . . (916) 845-6500  
(not toll-free)

Website at: [www.ftb.ca.gov](http://www.ftb.ca.gov)

**Assistance for persons with disabilities:** We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

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<http://sedm.org>

