



STATE OF CALIFORNIA
FRANCHISE TAX BOARD
Disclosure Section
PO Box 1468
Sacramento CA 95812-1468
Telephone (916) 845-3226 Fax (916) 845-4849

STEVE WESTLY
Chair
CAROLE MIGDEN
Member
MICHAEL C. GENEST
Member

November 9, 2004

Bryan [REDACTED]
[REDACTED]

San Diego, [REDACTED]

RE: Your letter dated September 15, 2004
Certified Mail # [REDACTED] (Express Mail # [REDACTED])
Tax Year 2001

I am responding to your above referenced correspondence received in the Disclosure Section on October 19, 2004 under the Information Practice Act (IPA), Civil Code Section 1798 *et seq.* and the Public Records Act (PRA), Government Code section 6250 *et seq.*

The Information Practices Act (IPA) provides that agencies are obligated to allow individuals to inspect "personal information," with exceptions, in certain "records containing personal information" (Civil Code section 1798.34).

The Notice of Proposed Assessment dated 8/2/2004 (attached to your letter) was issued to you based on information we received via magnetic media from various sources. Enclosed are documents that list the source and income information. The notice was issued through our automated non-filer system known as INC (Integrated Non-Filer Compliance System). Because of this, there is no specific individual responsible for issuing the notice and the notice will not have a hand-scribed signature.

California Revenue and Taxation Code Section (CR&TC §) 18501 provides that every "individual" realizing a specified amount of gross income or adjusted gross income must make a return to the Franchise Tax Board. CR&TC §18621 provides that a return shall contain, or be verified by, a written declaration that it is made under the penalty of perjury. CR&TC §18621 also provides that the required return "shall be in any form as the Franchise Tax Board may from time to time prescribe," that the Franchise Tax Board shall prepare blank forms for the return, and that failure to receive or secure the forms does not relieve a taxpayer from making any return.

CR&TC § 17041 imposes taxes on every individual who is in California for more than a temporary or transitory purpose, i.e. resident and those individuals who derive income from sources located in this state (Appeal of Beldon R. and Mildred Katleman, 80-SBE-128, October 17, 1980). Every individual, subject to applicable California filing requirements, whether a state citizen, sovereign California Citizen, self-status freeborn nonresident alien residing in this state, or domiciled inhabitant, is required to file a tax return under CR&TC § 18501. A claim of exemption from personal state income tax is invalid. There is an explicit requirement for filing of tax returns and

[REDACTED]
RE: Letter of September [REDACTED]
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paying the tax. As a taxpayer, defined under CR&TC § 17004, you may be held liable for state income taxes as well as interest and penalties for noncompliance.

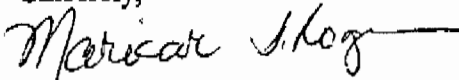
The Executive Officer of the Franchise Tax Board does not use delegations of authority. An individual is appointed to a position, and their position duty statement is a description of their duties; therefore, no such document exists listing a delegation of authority.

Please note, the IPA and PRA do not require state agencies to conduct research to determine which regulation, decision, or statute you are seeking. To the extent you are seeking records to establish the authority of the Franchise Tax Board (FTB) to assess, enforce and collect taxes, please be advised of the following: Article XIII, Section 26 of the California Constitution authorized a tax on or measured by income. The legislature established such a tax through the Revenue and Taxation Code. The FTB administers the provisions of the Revenue and Taxation Code. The code contains information that may be responsive to your request. You may purchase the code at bookstores, view them at public libraries or on the Internet.

I have forwarded your request for a due process hearing to our Complex Filing Enforcement Section. They will handle your request for a hearing. You may also contact them at the following address and telephone number if you have not received any information from them:

Complex Filing Enforcement Section, M/S J-40
PO Box 942867
Sacramento, CA 94267
(916) 845-7650

Sincerely,



Maricar I. Rogan
Disclosure Specialist
Telephone: (916) 845-5733

Enc.

INC Application

File Action Tools Window Help

TY 2001

Tax Years: 2002 2001 2000 1999 Other Entity

Return Information: Tax Return Tax Year 2001 Income Record

Nonfiler Program Activity: Request Demand NPA Final Paid Closed

Income Record			INC Information			Highlighted Item Options	
Source	Reporter	TIS	Reported Amt	Case Amt	Used	Actual	
MISC	MANAGED ASSET P	TP	\$39,527.00	\$39,527.00	Yes	Actual	Disassociate (Move)
1099B	NATL INVESTOR S...	TP	\$4,647.00	\$4,647.00	Yes	Actual	Disassociate All (Move All)
1099B	NATL INVESTOR S...	TP	\$4,594.00	\$4,594.00	Yes	Actual	Change Reported Amt
1099B	NATL INVESTOR S	TP	\$1,836.00	\$1,836.00	Yes	Actual	Change Case Amt

Total Case Amount: \$2,770.00 Income Exclusions No

Information Return (1099-Miscellaneous)

ID: 216926487
 Name: [REDACTED]
 Street: [REDACTED]
 City, State, Zip: SAN FRANCISCO, [REDACTED]
 Country: [REDACTED]
 Misc Income: 39,527.00
 Withholding: 0.00

Reporter:

ID: [REDACTED]
 Name: [REDACTED]
 Address: [REDACTED]
 City, State, Zip: [REDACTED]
 Phone: [REDACTED]
 NAICS: [REDACTED]
 SIC: [REDACTED]

Explorer provided by FTB

DOWNLOADED FROM:

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

<http://sedm.org>

