Today’s Agenda

- Taxpayers’ Rights Advocate’s Office
- COVID-19
- Legislation
- Earned Income Tax Credit
- Resources
Taxpayers’ Rights Advocate’s Office

- Taxpayers’ Rights
  - Systemic Advocacy
  - Advocate Assistance
  - Education and Outreach

Help with a Tax Problem?

If you have an income tax issue and need to escalate it through normal channels and require immediate assistance call: 800.883.5910.

When Normal Channels Fail:
- On the Web: ftb.ca.gov - search: “Problem”
- Email: FTBAdvocate@ftb.ca.gov
- Fax: 916.843.8130
- Call: 916.845.2550
- Mail: FRANCHISE TAX BOARD
  TAXPAYERS’ RIGHTS ADVOCATE’S OFFICE
  MS F385
  PO BOX 157
  RANCHO CORDOVA, CA 95741-0157

Tax News
October 2020

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COVID – 19

- Are you affected:
  - Income tax return filing or payment due date between 3/12/2020 and 7/15/2020
  - Field Offices - Open for appointments
  - Collections -
    - Temporary hold
    - Payment Arrangement
    - Offer in Compromise
    - Hardship

Original Signatures not needed except for Power of Attorney

- Attach a separate signature document
- Refer to attachment for original signature
- Fax ed signature on a paper return
- Photograph or digital copies of signature for other documents
- Ends 12/31/2020

- Electronically signed waivers - including signature services to extend statute of limitations
- E-signatures currently accepted until 12/31/2020

New Legislation

- AB 276 Loans from retirement plans
- AB 1525 Financial Institutions and Cannabis
- AB 1577 Nonrecognition of income for PPP loan forgiveness
- AB 1876 EITC - SSN/TIN not required; electronic/remote process FTB
- AB 2247 Dependent Exemption Credit
- AB 2660 Group nonresident return with nonresident aliens
- AB 3372 Electronic Withholding Orders/Water's Edge Election and Doing Business
New Legislation

• SB 592 FTB to Furnish Tax Filer Information to Counties for Juries
• SB 934 Exempt Organizations Filing Fees
• SB 1447 Small Business Credit for hiring new or hiring back during CV-19 pandemic

New Legislation – AB 85

• Limits the amount of allowable business credits to $5 million, for tax years 2020 - 2022.
• Extends film credit carryover periods under Revenue and Taxation Code sections 17053.95 and 23695.
• Suspends NOL deductions for tax years 2020 - 2022, for taxpayers with income of $1 million or more and extends the carryover period.
• Provides a first year exemption from the annual tax for LPs, LLPs, and LLCs that file with the Secretary of State for tax years 2021 - 2023.
• Makes clarifying changes to the Healthcare Mandate penalty.

New Legislation

• AB 93 allows the use of ITIN to establish eligibility of qualifying dependent for EITC.
• AB 1876 EITC removes ITIN requirement.
• AB 2247 Allows alternative identification numbers for those ineligible for ITIN.
New Legislation
Loophole Closure and Small Business and Working Families Tax Relief Act of 2019 – SB 91
• Technical Termination of Partnerships
• Updates to EITC
• No NOL Carryback
• Conformity to TCJA for Small Business accounting methods changes

Healthcare Mandate
• Effective January 1, 2020
• Mirrors Federal Mandate
• Provides Subsidy and Penalty
• Must Reconcile at the end of the tax year
  • Forms similar to federal 1095...
  • Includes Exemptions - FTB and CC
  • More info @ FTB.CA.GOV

Head of Household
• New error notification
  • Starting 2019 tax returns
  • No more NPAs
    • No Protest Rights
  • Notice of Tax Return Change (Math Error)
  • Based on form FTB 3532
    • Resolve with PHL 916.845.7057 or MyFTB
**Earned Income Tax Credit**
- Refundable
- Based on Wage and SE Income
- Qualifying children establishes credit percentage
- **AB 91 - Income ceiling $30,000**
  - Maximum CA Credit $2,982; phases out as income increases.
- **AB 91 - 1,000 young child credit**
- Volunteer Income Tax Assistance Program

**Nonwage Withholding**
Updated FTB FORM 593
- Combines 593, 593-C, 593-E and 593-I
- Must be completed by Withholding Agent
- Due by the 20th of the following month of R/E transaction to FTB and Seller
- New FTB FORM 592-PTE (Pass-through Entity)
- New FTB FORM 592-Q (PTE Payment Voucher)

**Collection Resources**
Collection Contact Centers:
- Individuals: **800.689.4776**
- Business Entities: **888.635.0494**
- Lien Desk: **916.845.4350**
- Innocent Joint Filer: **916.845.7072**
- **FTB.CA.GOV**