

## Property Taxes

The elected members of the Board hear appeals concerning the assessed values of state-assessed properties, private railroad cars, and taxable properties owned by local governments but located outside their boundaries. The members also hear appeals of timber tax decisions and welfare exemption claim denials. While disputes may be resolved through discussion with staff, the Board Members make the ultimate decision on all property tax appeals.

In 2005-06, taxpayers filed 59 property tax appeals with the Board.

- 57 petitions from state-assessed public utilities
- 2 applications for review, equalization, and adjustment for local government properties

Property tax appeals conferences precede any Board hearing on the appeal and are a means of clarifying and narrowing issues, exchanging information and records, and facilitating resolution of legal and valuation issues. The information elicited at the appeals conferences enable appeals attorneys to draft accurate and complete hearing summaries and recommendations for the Board's consideration in making decisions on these petitions.

## Sales & Use Taxes and Special Taxes & Fees

Taxpayers who disagree with staff decisions regarding taxes or fees they owe may seek resolution through the Board's administrative appeals process. The process begins with filing a written appeal (petition for redetermination) and discussions with staff. The appeal may progress through a series of steps to a hearing before the Board Members.

Petitions for redetermination filed this year included:

- 793 sales and use tax appeals.
- 1,366 consumer use tax appeals.
- 157 special taxes and fee appeals.



A taxpayer whose appeal is denied by the Board must pay the tax or fee determined to be due, but may thereafter file a claim for refund. If the Board denies the claim, the taxpayer may file a refund action in superior court.

The agency offers a settlement program for certain tax and fee disputes. In 2005-06, staff settled 123 sales and use tax cases for a total settlement amount of \$46.10 million. The Board approved 13 special taxes or fee settlements for a total settlement amount of \$771,400.

The agency also has an offer in compromise program for closed businesses that cannot pay the full tax or fee amounts they owe.

## **Franchise and Personal Income Taxes**

The elected Board Members serve as the administrative appeal body over final actions by the Franchise Tax Board. In that capacity, the Board Members interpret and apply the state's franchise and income tax laws. The Members hear appeals filed under the following.

- Bank and Corporation Tax Law
- Personal Income Tax Law
- Homeowner and Renter Property Tax Assistance Law

If a taxpayer disagrees with a determination by the FTB, the taxpayer may appeal that determination to the Board. The Board's Appeals Division evaluates the issues of law and fact for each appeal based on the information provided by each party. The Board Members review the staff evaluation and any additional information found in the written record or provided at a hearing and make a final determination. If the Board denies a taxpayer's appeal, the taxpayer may file a refund action in superior court.

While any taxpayer dissatisfied with a final action of the FTB may file an appeal with the Board of Equalization, taxpayers who have paid their tax liability may choose instead to file an action in superior court. Consequently, the appeal figures in the following sections do not necessarily reflect the total number of California taxpayers who disputed a final action by the FTB in 2005-06.

### **Franchise and Personal Income Taxes**

In 2005-06, the Board acknowledged 799 appeals filed under the Bank and Corporation Tax Law and the Personal Income Tax Law. The Board issued 301 decisions, considering 73 of the cases at oral hearings and deciding the remaining appeals based upon a review of the written record. There were 104 petitions for rehearing.

## Homeowner and Renter Assistance

In 2005-06, the Board acknowledged 919 homeowner and renter assistance appeals. The Board dismissed 284 appeals because the FTB paid the appellants' claims in full or in part, or because the appellants agreed with the FTB that they were not entitled to the assistance. The Board issued 166 decisions, considering nine of the cases at oral hearing and deciding the remainder based on review of the written record. Applicants filed two petitions for rehearing.



As sleeper cars were streamlined, train companies began to appeal to a woman's sense of elegance, comfort, and convenience. The safety of train travel for families was also highly touted.