

Add Section 55046.5 to the Fee Collection Procedures Law to allow for relief of interest for late payment or filing of a tax return due to a disaster.

Source: Special Taxes Department

Under existing Sales and Use Tax Law, Section 6593 provides that a person may be relieved of interest, as specified, if the Board finds the person's failure to make a timely return or payment was due to a disaster. With the exception of the Fee Collection Procedures Law, these provisions are also contained in all other tax and fee programs administered by the Board. The lack of this authority in current law appears to be due only to an oversight in the drafting of the original, enabling legislation.

The Fee Collection Procedures Law contains provisions for the administration and collection of various fee programs administered by the Board. These provisions were added to the Revenue and Taxation Code so that newly established fee and tax programs could simply reference this law for their administration and collection authority, consistent with other Board-administered taxes and fees. Currently, the California Tire Fee, Natural Gas Surcharge, and Ballast Water Fee are administered and collected by the Board in accordance with the Fee Collection Procedures Law.

This proposal would simply add conforming relief of interest provisions to the Fee Collection Procedures Law to provide a person relief of interest, as specified, if the Board finds that a person's failure to make a timely return or payment was due to a disaster, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect. This proposal would provide consistency among all the Board-administered tax and fee programs.

Section 55046.5 of the Revenue and Taxation Code is added to read:

55046.5. If the board finds that a person's failure to make a timely return or payment was due to a disaster, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of interest provided by Sections 55041, 55042, 55050 and 55061.

Any person seeking to be relieved of the interest shall file with the board a statement under penalty of perjury setting forth the facts upon which he or she bases his or her claim for relief.