



State of California
Franchise Tax Board

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chair John Chiang | member Betty T. Yee | member Ana J. Matosantos

COPY

Date: 12.13.10

Case: 19980403547284950
Case Unit: 19980403547284973
In reply refer to 410:SLS

TO: CHIEF, BOARD PROCEEDINGS DIVISION
STATE BOARD OF EQUALIZATION
450 N STREET, MIC: 81
SACRAMENTO, CA 95814

FROM: SUZANNE L. SMALL

RE: Appeal of Douglas Gail & Robyn Hufnagel
Appeal Case ID No. 510017
Response to Questions Raised in Board's Hearing Summary

MEMORANDUM

This matter is scheduled for hearing on December 14, 2010 in the above matter.

In response to the request in your Board's hearing summary in this matter requesting that both parties should be prepared to discuss the amounts received and collected by respondent for the years at issue, and what the total refund should be for each year at issue, including interest, respondent submitted a chart dated September 9, 2010 to your Board reflecting the activity on appellants' 1995, 1996, 1997, 1999 and 2000 tax years.¹ However, upon review of that chart, it was discovered that the estimate penalty imposed on appellants' 1995 tax year was not reflected. This has been corrected and the estimate penalty for the 1995 tax year in the amount of \$264.26 is included on the attached amended chart.

Tax Counsel III

Enclosure

cc: Dale A. Hoppes

FTB EXHIBIT

B3

December 14, 2010

**Douglas Gail Hufnagel and Robyn Hufnagel
510017**

¹ Appellants filed a joint return for the 1995 tax year, which is on appeal. As to the 1999 and 2000 tax years, only appellant-husband's accounts are on appeal.

1995

Credits

Estimated Payment	10/31/1996	\$	1,080.00
Extension Payment	10/31/1996		1,100.00
Bill Payment	02/03/2007		6,581.16
			<u>8,761.16</u>

Debits

Estimate penalty	11/05/1996	\$	264.26
Write Off by FTB	02/03/1997		0.02
Credit Balance			<u>8,496.88</u>

1996

Credits

Estimated Payment	06/15/1996	\$	1,080.00
Bill Payment	11/10/98 - 10/15/02		20,085.60
		\$	<u>21,165.60</u>

Debits

Self-assessed final tax		\$	4,247.00
Estimate penalty			371.10
Delinquent Filing penalty			791.75
Interest			1,513.79
Cost Recovery fee			103.00
lien fee			9.00
Total Debits		\$	<u>7,035.64</u>

Refund allowed	04/20/2010		14,131.43
Interest allowed on refund	04/20/2010		8,820.34
Total amount refunded		\$	<u>22,951.77</u>

Credit Balance -

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1997

Credits

Bill Payments 05/17/99 - 11/15/00 \$ 14,845.31

Debits

Self-assessed final tax	\$	4,775.00
Estimate penalty		353.53
5% underpayment penalty		238.75
Total monthly penalty		378.76
lien fee		9.00
Interest accrued on unpaid tax		608.35
Total Debits	\$	<u>6,363.39</u>

Amount tranferred to 2003 tax year	04/14/2010	572.03
Amount tranferred to 2005 tax year	04/14/2010	5,308.12
Offset (DMV)	04/14/2010	373.00
Total credits to other liabilities	\$	<u>6,253.15</u>

Refund allowed	04/20/2010	2,228.77
Interest allowed on refund	04/20/2010	7,430.57
Total amount refunded		<u>9,659.34</u>

Credit Balance -

1999

Credits

Estimated Payment	07/15/99 - 01/15/00	\$ 5,240.00
Extension Payment	04/15/2000	500.00
Credit Balance		<u>5,740.00</u>

Debits

Self-assessed tax		4,506.00
Credit Balance	\$	<u><u>1,234.00</u></u>

2000

Credits

Estimated Payment	04/15/00 - 01/15/01	\$	5,400.00
Extension Payment			500.00
Dependent Care Credit			509.00
Credit Balance		\$	<u>6,409.00</u>

Debits

Self-assessed tax			1,098.00
Credit Balance		\$	<u><u>5,311.00</u></u>