



Boney Mountain Wilderness in Pt. Mugu State Park, Ventura County

Appeals

Revenues

Property Taxes

The Board hears 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 Board also hears appeals of timber tax decisions and welfare exemption claim denials. While disputes may be resolved through discussion with BOE staff, the Board makes the ultimate decision on all property tax appeals.

In 2007-08, taxpayers filed 71 property tax appeals with the Board:

- 68 petitions from state-assessed public utilities
- 3 welfare exemption claims

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 and Use Taxes and Special Taxes and Fees

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

Petitions for redetermination filed this year included:

- 876 sales and use tax appeals
- 990 consumer use tax appeals
- 1,613* 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 BOE offers a settlement program for certain tax and fee disputes. In 2007-08, staff settled 114 sales and use tax cases for a total settlement amount of \$7.86 million. The Board approved six special taxes or fee settlements for a total settlement amount of \$629,668.

The BOE also has an Offer in Compromise Program for closed businesses that cannot pay the full tax or fee amounts they owe.

Corporate Franchise and Personal Income Taxes

The Board serves as the administrative appeal body over final actions by the FTB. In that capacity, the Board interprets and applies the state's franchise and income tax laws. The Board hears appeals filed under the following:

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

* During 2007-08, Special Taxes received 1,613 appeals cases, including 325 appeals related to cigarette and tobacco products licensing violations, 148 relating to other Special Tax Programs, and 1,140 that were filed with the SWRCB. The SWRCB is responsible for the decisions related to water rights appeals and the BOE on the disposition of each appeal once a decision is made.

If a taxpayer disagrees with a determination by the FTB, the taxpayer may appeal that determination to the Board. The BOE's Appeals Division evaluates the issues of law and fact for each appeal based on the information provided by each party. The Board reviews the staff evaluation and any additional information found in the written record or provided at a hearing and makes 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 BOE, 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 2007-08.

Corporate Franchise and Personal Income Taxes Appeals

In 2007-08, the BOE received 883 appeals filed under the Bank and Corporation Tax Law and the Personal Income Tax Law. The Board issued 214 decisions, considering 63 of the cases at oral hearings and deciding the remaining appeals based upon a review of the written record. There were 68 petitions for rehearing.

Homeowner and Renter Property Assistance Appeals

In 2007-08, the BOE received 1,393 homeowner and renter property assistance appeals. The Board dismissed 308 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 158 decisions, considering six of the cases at oral hearing and deciding the remainder based on review of the written record. Applicants filed four petitions for rehearing.