



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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Executive Director

July 17, 2015

To Interested Parties:

**Notice of Proposed Regulatory Action**

**The State Board of Equalization Proposes to Adopt Amendments to  
California Code of Regulations, Title 18,**

***Section 1705.1, Innocent Spouse or Registered Domestic Partner Relief from Liability, Section 4903, Innocent Spouse or Registered Domestic Partner Relief from Liability, Section 5240, Persons Who May File, Contents of, and Manner of Filing Requests for Innocent Spouse Relief, Section 5241, Acknowledgement and Review of Requests for Innocent Spouse Relief, and Section 5242, Requests for Reconsideration by the Board***

**NOTICE IS HEREBY GIVEN** that the State Board of Equalization (Board), pursuant to the authority vested in it by Government Code section 15606 and Revenue and Taxation Code (RTC) sections 7051, 8251, 9251, 11651, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, 55301 and 60601, proposes to adopt amendments to California Code of Regulations, title 18, sections (Regulations) 1705.1, *Innocent Spouse or Registered Domestic Partner Relief from Liability*, 4903, *Innocent Spouse or Registered Domestic Partner Relief from Liability*, 5240, *Persons Who May File, Contents of, and Manner of Filing Requests for Innocent Spouse Relief*, 5241, *Acknowledgement and Review of Requests for Innocent Spouse Relief*, and 5242, *Requests for Reconsideration by the Board*. The proposed amendments make the Board's administration of the RTC provisions for innocent spouse relief and other equitable relief (cited below) more efficient by providing for the filing of one request for innocent spouse relief, the review of that request by the Board's Offer in Compromise Section to determine if either innocent spouse relief or other equitable relief is warranted at the same time, and the ability to request reconsideration from the Board if an individual requesting relief is not granted either innocent spouse relief or other equitable relief from all the liabilities in his or her request.

The proposed amendments also replace all of Regulations 1705.1's and 4903's references to "claims," "claiming spouse," and "nonclaiming spouse" with references to "requests," "requesting spouse," and "non-requesting spouse," respectively, so that Regulations 1705.1, 4903, and 5241 use consistent and accurate terminology. The proposed amendments make

minor grammatical and formatting changes to renumbered subdivisions (g) and (h) in Regulations 1705.1 and 4903, delete the cross-references to specific subdivisions in Regulations 1705.1 and 4903 from Regulations 5240 and 5242 because the specific subdivision references are not necessary, add an inadvertently omitted “s” to the end of Oil Spill Response, Prevention and Administration “Fee” in Regulation 5240, subdivision (a), and revise the reference to Regulation 5241, subdivision (d), present in subdivision (c) of Regulation 5242 so that it refers to Regulation 5241, subdivision (c). And, the proposed amendments add references to RTC sections 60601 and 60210.5 to Regulations 5240’s, 5241’s, and 5242’s authority and reference notes, respectively, to address omissions from prior amendments to the regulations.

## **PUBLIC HEARING**

The Board will conduct a meeting in Room 121, at 450 N Street, Sacramento, California, on September 16-17, 2015. The Board will provide notice of the meeting to any person who requests that notice in writing and make the notice, including the specific agenda for the meeting, available on the Board’s Website at [www.boe.ca.gov](http://www.boe.ca.gov) at least 10 days in advance of the meeting.

A public hearing regarding the proposed regulatory action will be held at 9:30 a.m. or as soon thereafter as the matter may be heard on September 16-17, 2015. At the hearing, any interested person may present or submit oral or written statements, arguments, or contentions regarding the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242.

## **AUTHORITY**

Regulation 1705.1:	RTC section 7051
Regulation 4903:	RTC sections 8251, 9251, 11651, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, 55301, and 60601
Regulations 5240-5242:	Government Code section 15606; and RTC sections 7051, 8251, 9251, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, 55301, and 60601

## **REFERENCE**

Regulation 1705.1:	RTC sections 6066, 6067, 6456 and 6901-6908; and Family Code sections 297 and 297.5
Regulation 4903:	RTC sections 7657.5, 8101-8131, 8880, 9151-9156, 11408.5, 11551-11555, 30285, 30361-30384, 32258, 32401-32407, 38454.5, 38601-38607, 40105, 40111-40117, 41099, 41100-41106, 43159.1, 43159.2, 43451-43456, 45158, 45651-45656, 46159, 46501-46507, 50112.6, 50139-50142.2, 55045.1, 55221-55226, 60210.5, and 60501-60512; and Family Code sections 297, 297.5, and 308

Regulation 5240-5242: RTC sections 6456, 7202, 7203, 7261, 7262, 7270, 7657.5, 8880, 30285, 32258, 38454.5, 40105, 41099, 43159.1, 43159.2, 45158, 46159, 50112.6, 55045.1, and 60210.5

## **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

### Summary of Existing Laws and Regulations

In 1993, section 6456 was added to the RTC by Assembly Bill No. 1288 (Stats. 1993, ch. 181) to authorize the Board to prescribe regulations under which a spouse may be relieved of a liability under the Sales and Use Tax Law (RTC, § 6001 et seq.) if:

- The liability is due to an understatement of tax that is attributable to the other spouse;
- The spouse being relieved did not know of and had no reason to know of the understatement; and
- It is inequitable to hold the spouse being relieved liable for the tax attributable to the understatement, taking into account whether the spouse being relieved significantly benefited directly or indirectly from the liability, and taking into account all other facts and circumstances.

The Board subsequently adopted Regulation 1705.1 in 1997 to implement, interpret, and make specific RTC section 6456. As relevant here, Regulation 1705.1 currently requires a spouse to file a “written request for relief” to be considered for innocent spouse relief under section 6456, subdivision (a). Also, Regulation 1705.1 currently refers to a spouse that has filed such a request as a “claiming spouse” and refers to the spouse of an individual requesting innocent spouse relief as the “nonclaiming spouse.”

In 2000, subdivision (f) was added to RTC section 6456 by Assembly Bill No. 2898 (Stats. 2000, ch. 1052) to authorize the Board to prescribe regulations under which a spouse may be relieved of a liability for any tax or deficiency for which “innocent spouse relief” is not available under RTC section 6456, subdivision (a). Under RTC section 6456, subdivision (f), such relief may be granted if, after taking into account all the facts and circumstances, the Board determines it is inequitable to hold the spouse liable for the tax or deficiency (or any portion thereof). The Board subsequently added subdivision (h) to Regulation 1705.1 in 2001 to implement RTC section 6456, subdivision (f)’s provisions for other “equitable relief.” As relevant here, Regulation 1705.1, subdivision (h) currently requires a spouse to file a request for equitable relief within the applicable statute of limitations to be considered for equitable relief under RTC section 6456, subdivision (f). In addition, in 2006, the name of Regulation 1705.1 was updated to include “Registered Domestic Partners,” and subdivision (j) was added to Regulation 1705.1 to explain that on and after January 1, 2005, registered domestic partners have the same rights to relief under RTC section 6456 and Regulation 1705.1 as spouses and all further references to “spouses” herein include registered domestic partners, unless otherwise noted.

In 2007, the Board adopted the Rules for Tax Appeals (Cal. Code Regs., tit. 18, § (Reg.) 5000 et seq.) to provide regulations governing the administrative and appellate review processes for all of the tax and fee programs administered by the Board. (Reg. 5000, *Statement of Intent; Title of Division.*) Regulations 5240, 5241, and 5242 were included in the Rules for Tax Appeals to provide specific procedures for the Board's review of requests for innocent spouse relief and other equitable relief under RTC section 6456.

Regulation 5240 currently provides for the filing of a request for innocent spouse relief with the Board's Offer in Compromise Section. Subdivisions (a) through (c) of Regulation 5241 currently provide for the acknowledgement, review, and grant or denial of a request for innocent spouse relief by the Board's Offer in Compromise Section. If a request for innocent spouse relief is denied and it appears the individual who requested innocent spouse relief may be eligible for other equitable relief, then subdivisions (c) and (d) of Regulation 5241 also currently provide for the Offer in Compromise Section to:

- Send the individual a questionnaire and financial statement to complete and return to request other equitable relief; and
- Review the individual's completed questionnaire and financial statement to determine if other equitable relief is warranted.

Regulation 5242 currently provides that if a request for other equitable relief is denied, then the individual requesting relief may request that the denial be reconsidered by the Board at a Board hearing.

In 2007, the Legislature enacted Assembly Bill No. 1748 (Stats. 2007, ch. 342), which added 15 sections to the RTC to authorize the Board to prescribe regulations providing for innocent spouse relief and other equitable relief from liabilities imposed under the Motor Vehicle Fuel Tax Law (RTC, § 7657.5), Use Fuel Tax Law (RTC, § 8880), Private Railroad Car Tax Law (RTC, § 11408.5), Cigarette and Tobacco Products Tax Law (RTC, § 30285), Alcoholic Beverage Tax Law (RTC, § 32258), Timber Yield Tax Law (RTC, § 38454.5), Energy Resources Surcharge Law (RTC, § 40105), Emergency Telephone Users Surcharge Law (RTC, § 41099), Hazardous Substances Tax Law (RTC, §§ 43159.1, 43159.2), Integrated Waste Management Fee Law (RTC, § 45158), Oil Spill Response, Prevention and Administration Fees Law (RTC, § 46159), Underground Storage Tank Maintenance Fee Law (RTC, § 50112.6), Fee Collection Procedures Law (RTC, § 55045.1), and Diesel Fuel Tax Law (RTC, § 60210.5), effective January 1, 2008. The Board adopted Regulation 4903 in 2010 to implement, interpret, and make specific its authority to grant innocent spouse relief and other equitable relief to taxpayers and fee payers (hereafter collectively "taxpayers") under these 14 additional tax and fee laws. Regulation 4903 generally incorporates the same provisions as Regulation 1705.1, including provisions regarding registered domestic partners. As relevant here, Regulation 4903 currently requires a spouse to file a "written request for relief" to be considered for innocent spouse relief, and it refers to a spouse that has filed such a request as a "claiming spouse" and refers to the spouse of an individual who is requesting innocent spouse relief as the "nonclaiming spouse." Regulation 4903 also currently

requires a spouse to file a request for equitable relief within the applicable statute of limitations to be considered for equitable relief.

In addition, the Board added Regulation 4903 to chapter 9.9, Special Taxes Administration-Miscellaneous, of division 2 of title 18 of the California Code of Regulations because it applies to liabilities incurred under all 14 of the special tax and fee laws listed above. Therefore, when the Board adopted Regulation 4903, the Board also adopted Regulations 1004, 1032, 1124.1, 1249, 1336, 1422.1, 2251, 2303.1, 2433, 2571, 3022, 3302.1, 3502.1, and 4106, which are also entitled *Innocent Spouse or Registered Domestic Partner Relief from Liability*. These cross-referencing regulations are located in other chapters in divisions 1 and 2 of title 18 that correspond with each of the special tax and fee laws listed above, and they currently direct taxpayers to the operative provisions in Regulation 4903.

In 2013, the Board adopted amendments to make Rules for Tax Appeals Regulations 5240, 5241, and 5242 applicable to the filing and review of all the requests for innocent spouse relief and other equitable relief governed by Regulation 4903, except requests filed under the Private Railroad Car Tax Law. This is because Regulations 5240, 5241, and 5242 are contained in chapter 2 of the Rules for Tax Appeals, which does not apply to Private Railroad Car Tax appeals. Also, as relevant here, Regulation 5240, subdivision (a), currently provides for the filing of requests for innocent spouse relief from taxes imposed under the “Diesel Fuel Tax Law” and Regulations 5240, 5241, and 5242 currently contain cross references to specific subdivisions in Regulations 1705.1 and 4903.

### **Effects, Objectives, and Benefits of the Proposed Amendments**

In order to receive innocent spouse relief or other equitable relief from a specific tax or fee liability, a spouse must establish that it would be “inequitable” to hold that spouse liable for such amount under the applicable facts and circumstances. As a result, Board staff determined that it would be easier for taxpayers and more efficient for the Board if a taxpayer could file one request for relief in order to be considered for both innocent spouse relief and other equitable relief at the same time. Board staff also determined that there was an administrative issue because Regulations 1705.1, 4903, 5240, 5241, and 5242, collectively, provide for the initial filing and review of a taxpayer’s request for innocent spouse relief, the subsequent filing and review of the taxpayer’s request for other equitable relief only after the taxpayer’s request for innocent spouse relief is denied, and the regulations only permit a taxpayer to request reconsideration from the Board if the taxpayer is denied other equitable relief. Therefore, Board staff prepared a Chief Counsel Memorandum dated May 6, 2015, which recommended that the Board address the administrative issue by:

- Amending Regulations 1705.1 and 4903 so that they no longer require a spouse to file a separate request for equitable relief;
- Amending Regulations 1705.1, 4903, and 5241 so that they require the Board to consider a spouse who files a request for innocent spouse relief for both innocent spouse relief and other equitable relief;

- Amending Regulation 5241 so that it requires the Offer in Compromise Section to send a spouse a “questionnaire and financial statement to complete and return” with the letter acknowledging his or her request for innocent spouse relief so that the Offer in Compromise Section can still obtain the information needed to determine whether other equitable relief is warranted;
- Amending Regulation 5241 so that it requires the Offer in Compromise Section to provide a spouse with instructions about how to request reconsideration in the event relief is initially denied; and
- Amending Regulation 5242 so that a spouse can request reconsideration from the Board if the Offer in Compromise Section denies both innocent spouse relief and other equitable relief as to any liability included in his or her request for innocent spouse relief.

In addition, spouses file “requests,” not claims, for innocent spouse relief under Regulations 1705.1, 4903, and 5240, and Regulation 5241 currently uses the semantically correct phrase “non-requesting spouse” to refer to the spouse of an individual who is requesting innocent spouse relief. However, Regulations 1705.1 and 4903 generally refer to “requests” as “claims,” a spouse requesting relief as a “claiming spouse,” and the spouse of an individual who is requesting relief as a “nonclaiming spouse.” Therefore, in the May 6, 2015, Chief Counsel Memorandum, Board staff recommended addressing these minor inconsistencies by replacing all of Regulations 1705.1’s and 4903’s references to “claims,” “claiming spouse,” and “nonclaiming spouse” with references to “requests,” “requesting spouse,” and “non-requesting spouse,” respectively, so that Regulations 1705.1, 4903, and 5241 use consistent and accurate terminology.

Moreover, in the May 6, 2015, Chief Counsel Memorandum, Board staff recommended that the Board make minor grammatical and formatting changes to renumbered subdivisions (g) and (h) in Regulations 1705.1 and 4903. Board staff also recommended that the Board delete the cross-references to specific subdivisions in Regulations 1705.1 and 4903 from Regulations 5240 and 5242 because the specific subdivisions have been renumbered and it is not necessary to specifically refer to the subdivisions to understand the meaning of Regulations 5240’s and 5242’s cross-references to Regulations 1705.1 and 4903. Board staff further recommended that the Board added an inadvertently omitted “s” to the end of Oil Spill Response, Prevention and Administration “Fee” in Regulation 5240, subdivision (a). Board staff additionally recommended revising the reference to Regulation 5241, subdivision (d), present in subdivision (c) of Regulation 5242 so that it refers to Regulation 5241, subdivision (c).

Board staff submitted the May 6, 2015, Chief Counsel Memorandum to the Board for consideration during its May 27, 2015, meeting **and, during the meeting, the Board Members unanimously voted to propose the amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 recommended by staff, although** Chairman Jerome Horton was absent and did not vote. **The Board determined that the proposed amendments are reasonably necessary to have the effect and accomplish the objectives of** addressing the administrative issue referred to above, ensuring that Regulations 1705.1, 4903, and 5241 use consistent and accurate

terminology, and clearly and efficiently administering the RTC provisions for innocent spouse relief and other equitable relief, cited above.

Prior to publishing this notice for the proposed amendments the Board authorized on May 27, 2015, Board staff realized that the Board inadvertently omitted references to RTC section 60601, which authorizes the Board to adopt regulations to implement, interpret, and make specific the provisions of the Diesel Fuel Tax Law, from the 2013 amendments to Regulations 5240's, 5241's, and 5242's authority notes. And, the Board also inadvertently omitted references to RTC section 60210.5, which authorizes the Board to prescribe regulations providing for innocent spouse relief and other equitable relief from liabilities imposed under the Diesel Fuel Tax Law, from the 2013 amendments to Regulations 5240's, 5241's, and 5242's reference notes. Therefore, the Board has also included references to RTC sections 60601 and 60210.5 in the proposed amendments to Regulations 5240's, 5241's, and 5242's authority and reference notes, respectively, which were not discussed in the May 6, 2015, Chief Counsel Memorandum, because the Board has determined that these additional amendments are reasonably necessary to have the effect and accomplish the objective of addressing the Board's prior omissions from the 2013 amendments.

The Board has performed an evaluation of whether the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 are inconsistent or incompatible with existing state regulations and determined that the proposed amendments are not inconsistent or incompatible with existing state regulations. This is because Regulations 1004, 1032, 1124.1, 1249, 1336, 1422.1, 1705.1, 2251, 2303.1, 2433, 2571, 3022, 3302.1, 3502.1, 4106, 4903, 5240, 5241, and 5242 are the only state regulations that specifically implement, interpret, and make specific the RTC provisions for innocent spouse relief and other equitable relief, cited above. Regulations 1004, 1032, 1124.1, 1249, 1336, 1422.1, 2251, 2303.1, 2433, 2571, 3022, 3302.1, 3502.1, and 4106 primarily cross-reference and direct taxpayers to the operative provisions in Regulation 4903. The proposed amendments will ensure that Regulations 1705.1, 4903, and 5241 use consistent and accurate terminology. And, the Board's evaluation of Regulations 1004, 1032, 1124.1, 1249, 1336, 1422.1, 1705.1, 2251, 2303.1, 2433, 2571, 3022, 3302.1, 3502.1, 4106, 4903, 5240, 5241, and 5242 did not reveal any inconsistencies between the regulations that are not being addressed in the proposed amendments.

**In addition**, Internal Revenue Code (IRC) section 6015 (26 U.S.C. § 6015) currently contains some provisions providing relief from joint income tax liabilities that are comparable to the RTC provisions for innocent spouse relief and other equitable relief, cited above. These IRC provisions are implemented, interpreted, and made specific by 26 Code of Federal Regulations parts 1.6015-1 (procedures), 1.6015-2 (innocent spouse relief), 1.6015-4 (equitable relief), 1.6015-5 (filing requests), and 1.6015-7 (Tax Court review), which contain some provisions that are comparable to the provisions in Regulations 1705.1, 4903, 5240, 5241, and 5242 discussed above. However, the Board has determined that the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 do not differ substantially from federal law because part 1.6015-1(a)(2) permits a requesting spouse to submit a single request or claim for both innocent spouse relief under part 1.6015-2 and equitable relief under part 1.6015-4, and requires the

Internal Revenue Service to consider whether a person who files such a claim is eligible for relief under both parts. Part 1.6015-7 permits a requesting spouse to petition the Tax Court for the review of the denial of any relief available under the procedures in part 1.6015-1, including innocent spouse relief under part 1.6015-2 and equitable relief under part 1.6015-4. Also, the federal regulations use the terms “requesting spouse” and “nonrequesting spouse.”

#### **NO MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS**

The Board has determined that the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will not impose a mandate on local agencies or school districts, including a mandate that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code.

#### **NO COST OR SAVINGS TO ANY STATE AGENCY, LOCAL AGENCY, OR SCHOOL DISTRICT**

The Board has determined that the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will result in no direct or indirect cost or savings to any state agency, no cost to any local agency or school district that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code, no other non-discretionary cost or savings imposed on local agencies, and no cost or savings in federal funding to the State of California.

#### **NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS**

The Board has made an initial determination that the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 may affect small business.

#### **NO COST IMPACTS TO PRIVATE PERSONS OR BUSINESSES**

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

#### **RESULTS OF THE ECONOMIC IMPACT ASSESSMENT REQUIRED BY GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)**

The Board has determined that the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 are not a major regulation, as defined in Government Code section 11342.548

and California Code of Regulations, title 1, section 2000. Therefore, the Board has prepared the economic impact assessment required by Government Code section 11346.3, subdivision (b)(1), and included it in the initial statement of reasons. The Board has determined that the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California. Furthermore, the Board has determined that the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will not affect the benefits of the regulations to the health and welfare of California residents, worker safety, or the state's environment.

### **NO SIGNIFICANT EFFECT ON HOUSING COSTS**

The adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will not have a significant effect on housing costs.

### **DETERMINATION REGARDING ALTERNATIVES**

The Board must determine that no reasonable alternative considered by it or that has been otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

### **CONTACT PERSONS**

Questions regarding the substance of the proposed amendments should be directed to Bradley M. Heller, Tax Counsel IV, by telephone at (916) 323-3091, by e-mail at [Bradley.Heller@boe.ca.gov](mailto:Bradley.Heller@boe.ca.gov), or by mail at State Board of Equalization, Attn: Bradley Heller, MIC:82, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action should be directed to Mr. Rick Bennion, Regulations Coordinator, by telephone at (916) 445-2130, by fax at (916) 324-3984, by e-mail at [Richard.Bennion@boe.ca.gov](mailto:Richard.Bennion@boe.ca.gov), or by mail at State Board of Equalization, Attn: Rick Bennion, MIC:80, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0080.

### **WRITTEN COMMENT PERIOD**

The written comment period ends at 9:30 a.m. on September 16, 2015, or as soon thereafter as the Board begins the public hearing regarding the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 during the September 16-17, 2015, Board meeting. Written comments received by Mr. Rick Bennion at the postal address, email address, or fax number provided above, prior to the close of the written comment period, will be presented to the Board and the Board will consider the statements, arguments, and/or contentions contained in those written comments before the Board decides whether to adopt the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242. The Board will only consider written comments received by that time.

### **AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION**

The Board has prepared underscored and strikeout versions of the text of Regulations 1705.1, 4903, 5240, 5241, and 5242 illustrating the express terms of the proposed amendments. The Board has also prepared an initial statement of reasons for the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242, which includes the economic impact assessment required by Government Code section 11346.3, subdivision (b)(1). These documents and all the information on which the proposed amendments are based are available to the public upon request. The rulemaking file is available for public inspection at 450 N Street, Sacramento, California. The express terms of the proposed amendments and the initial statement of reasons are also available on the Board's Website at [www.boe.ca.gov](http://www.boe.ca.gov).

### **SUBSTANTIALLY RELATED CHANGES PURSUANT TO GOVERNMENT CODE SECTION 11346.8**

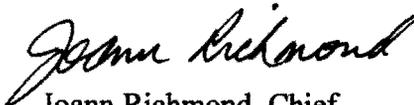
The Board may adopt the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 with changes that are nonsubstantial or solely grammatical in nature, or sufficiently related to the original proposed text that the public was adequately placed on notice that the changes could result from the originally proposed regulatory action. If a sufficiently related change is made, the Board will make the full text of the proposed regulation, with the change clearly indicated, available to the public for at least 15 days before adoption. The text of the resulting regulation will be mailed to those interested parties who commented on the original proposed regulation orally or in writing or who asked to be informed of such changes. The text of the resulting regulation will also be available to the public from Mr. Bennion. The Board will consider written comments on the resulting regulation that are received prior to adoption.

July 17, 2015

**AVAILABILITY OF FINAL STATEMENT OF REASONS**

If the Board adopts the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242, the Board will prepare a final statement of reasons, which will be made available for inspection at 450 N Street, Sacramento, California, and available on the Board's Website at [www.boe.ca.gov](http://www.boe.ca.gov).

Sincerely,

  
Joann Richmond, Chief  
Board Proceedings Division

JR:reb

**STATE BOARD OF EQUALIZATION**



BOARD APPROVED

At the September 16, 2015 Board Meeting

  
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Joann Richmond, Chief  
Board Proceedings Division

**Initial Statement of Reasons for**  
**Proposed Amendments to California Code of Regulations, Title 18,**  
**Section 1705.1, *Innocent Spouse or Registered Domestic Partner Relief from Liability,***  
**Section 4903, *Innocent Spouse or Registered Domestic Partner Relief from Liability,***  
**Section 5240, *Persons Who May File, Contents of, and Manner of Filing***  
***Requests for Innocent Spouse Relief,***  
**Section 5241, *Acknowledgement and Review of Requests for Innocent Spouse Relief,***  
**and**  
**Section 5242, *Requests for Reconsideration by the Board***

SPECIFIC PURPOSE AND NECESSITY

Current Law

In 1993, section 6456 was added to the Revenue and Taxation Code (RTC) by Assembly Bill No. 1288 (Stats. 1993, ch. 181) to authorize the State Board of Equalization (Board) to prescribe regulations under which a spouse may be relieved of a liability under the Sales and Use Tax Law (RTC, § 6001 et seq.) if:

- The liability is due to an understatement of tax that is attributable to the other spouse;
- The spouse being relieved did not know of and had no reason to know of the understatement; and
- It is inequitable to hold the spouse being relieved liable for the tax attributable to the understatement, taking into account whether the spouse being relieved significantly benefited directly or indirectly from the liability, and taking into account all other facts and circumstances.

The Board subsequently adopted California Code of Regulations, title 18, section (Regulation) 1705.1, *Innocent Spouse or Registered Domestic Partner Relief from Liability*, in 1997 to implement, interpret, and make specific RTC section 6456. As relevant here, Regulation 1705.1 currently requires a spouse to file a “written request for relief” to be considered for innocent spouse relief under section 6456, subdivision (a). Also, Regulation 1705.1 currently refers to a spouse that has filed such a request as a “claiming spouse” and refers to the spouse of an individual requesting innocent spouse relief as the “nonclaiming spouse.”

In 2000, subdivision (f) was added to RTC section 6456 by Assembly Bill No. 2898 (Stats. 2000, ch. 1052) to authorize the Board to prescribe regulations under which a spouse may be relieved of a liability for any tax or deficiency for which “innocent spouse relief” is not available under RTC section 6456, subdivision (a). Under RTC section 6456, subdivision (f), such relief may be granted if, after taking into account all the facts and circumstances,

the Board determines it is inequitable to hold the spouse liable for the tax or deficiency (or any portion thereof). The Board subsequently added subdivision (h) to Regulation 1705.1 in 2001 to implement RTC section 6456, subdivision (f)'s provisions for other "equitable relief." As relevant here, Regulation 1705.1, subdivision (h) currently requires a spouse to file a request for equitable relief within the applicable statute of limitations to be considered for equitable relief under RTC section 6456, subdivision (f). In addition, in 2006, the name of Regulation 1705.1 was updated to include "Registered Domestic Partners," and subdivision (j) was added to Regulation 1705.1 to explain that on and after January 1, 2005, registered domestic partners have the same rights to relief under RTC section 6456 and Regulation 1705.1 as spouses and all further references to "spouses" herein include registered domestic partners, unless otherwise noted.

In 2007, the Board adopted the Rules for Tax Appeals (Cal. Code Regs., tit. 18, § (Reg.) 5000 et seq.) to provide regulations governing the administrative and appellate review processes for all of the tax and fee programs administered by the Board. (Reg. 5000, *Statement of Intent; Title of Division.*) Regulations 5240, *Persons Who May File, Contents of, and Manner of Filing Requests for Innocent Spouse Relief*, 5241, *Acknowledgement and Review of Requests for Innocent Spouse Relief*, and 5242, *Requests for Reconsideration by the Board*, were included in the Rules for Tax Appeals to provide specific procedures for the Board's review of requests for innocent spouse relief and other equitable relief under RTC section 6456.

Regulation 5240 currently provides for the filing of a request for innocent spouse relief with the Board's Offer in Compromise Section. Subdivisions (a) through (c) of Regulation 5241 currently provide for the acknowledgement, review, and grant or denial of a request for innocent spouse relief by the Board's Offer in Compromise Section. If a request for innocent spouse relief is denied and it appears the individual who requested innocent spouse relief may be eligible for other equitable relief, then subdivisions (c) and (d) of Regulation 5241 also currently provide for the Offer in Compromise Section to:

- Send the individual a questionnaire and financial statement to complete and return to request other equitable relief; and
- Review the individual's completed questionnaire and financial statement to determine if other equitable relief is warranted.

Regulation 5242 currently provides that if a request for other equitable relief is denied, then the individual requesting relief may request that the denial be reconsidered by the Board at a Board hearing.

In 2007, the Legislature enacted Assembly Bill No. 1748 (Stats. 2007, ch. 342), which added 15 sections to the RTC to authorize the Board to prescribe regulations providing for innocent spouse relief and other equitable relief from liabilities imposed under the Motor Vehicle Fuel Tax Law (RTC, § 7657.5), Use Fuel Tax Law (RTC, § 8880), Private Railroad Car Tax Law (RTC, § 11408.5), Cigarette and Tobacco Products Tax Law (RTC, § 30285), Alcoholic Beverage Tax Law (RTC, § 32258), Timber Yield Tax Law (RTC, § 38454.5), Energy Resources Surcharge Law (RTC, § 40105), Emergency

Telephone Users Surcharge Law (RTC, § 41099), Hazardous Substances Tax Law (RTC, §§ 43159.1, 43159.2), Integrated Waste Management Fee Law (RTC, § 45158), Oil Spill Response, Prevention and Administration Fees Law (RTC, § 46159), Underground Storage Tank Maintenance Fee Law (RTC, § 50112.6), Fee Collection Procedures Law (RTC, § 55045.1), and Diesel Fuel Tax Law (RTC, § 60210.5), effective January 1, 2008. The Board adopted Regulation 4903, *Innocent Spouse or Registered Domestic Partner Relief from Liability*, in 2010 to implement, interpret, and make specific its authority to grant innocent spouse relief and other equitable relief to taxpayers and feepayers (hereafter collectively “taxpayers”) under these 14 additional tax and fee laws. Regulation 4903 generally incorporates the same provisions as Regulation 1705.1, including provisions regarding registered domestic partners. As relevant here, Regulation 4903 currently requires a spouse to file a “written request for relief” to be considered for innocent spouse relief, and it refers to a spouse that has filed such a request as a “claiming spouse” and refers to the spouse of an individual who is requesting innocent spouse relief as the “nonclaiming spouse.” Regulation 4903 also currently requires a spouse to file a request for equitable relief within the applicable statute of limitations to be considered for equitable relief.

In addition, the Board added Regulation 4903 to chapter 9.9, Special Taxes Administration-Miscellaneous, of division 2 of title 18 of the California Code of Regulations because it applies to liabilities incurred under all 14 of the special tax and fee laws listed above. Therefore, when the Board adopted Regulation 4903, the Board also adopted Regulations 1004, 1032, 1124.1, 1249, 1336, 1422.1, 2251, 2303.1, 2433, 2571, 3022, 3302.1, 3502.1, and 4106, which are also entitled *Innocent Spouse or Registered Domestic Partner Relief from Liability*. These cross-referencing regulations are located in other chapters in divisions 1 and 2 of title 18 that correspond with each of the special tax and fee laws listed above, and they currently direct taxpayers to the operative provisions in Regulation 4903.

In 2013, the Board adopted amendments to make Rules for Tax Appeals Regulations 5240, 5241, and 5242 applicable to the filing and review of all the requests for innocent spouse relief and other equitable relief governed by Regulation 4903, except requests filed under the Private Railroad Car Tax Law. This is because Regulations 5240, 5241, and 5242 are contained in chapter 2 of the Rules for Tax Appeals, which does not apply to Private Railroad Car Tax appeals. Also, as relevant here, Regulation 5240, subdivision (a), currently provides for the filing of requests for innocent spouse relief from taxes imposed under the “Diesel Fuel Tax Law” and Regulations 5240, 5241, and 5242 currently contain cross references to specific subdivisions in Regulations 1705.1 and 4903.

#### Specific Purposes, Necessity, and Benefits of the Proposed Amendments

In order to receive innocent spouse relief or other equitable relief from a specific tax or fee liability, a spouse must establish that it would be “inequitable” to hold that spouse liable for such amount under the applicable facts and circumstances. As a result, Board staff determined that it would be easier for taxpayers and more efficient for the Board if a taxpayer could file one request for relief in order to be considered for both innocent spouse

relief and other equitable relief at the same time. Board staff also determined that there was an administrative issue (or problem within the meaning of Gov. Code, § 11346.2, subdivision (b)(1)) because Regulations 1705.1, 4903, 5240, 5241, and 5242, collectively, provide for the initial filing and review of a taxpayer's request for innocent spouse relief, the subsequent filing and review of the taxpayer's request for other equitable relief only after the taxpayer's request for innocent spouse relief is denied, and the regulations only permit a taxpayer to request reconsideration from the Board if the taxpayer is denied other equitable relief. Therefore, Board staff prepared a Chief Counsel Memorandum dated May 6, 2015, which recommended that the Board address the administrative issue by:

- Amending Regulations 1705.1 and 4903 so that they no longer require a spouse to file a separate request for equitable relief;
- Amending Regulations 1705.1, 4903, and 5241 so that they require the Board to consider a spouse who files a request for innocent spouse relief for both innocent spouse relief and other equitable relief;
- Amending Regulation 5241 so that it requires the Offer in Compromise Section to send a spouse a "questionnaire and financial statement to complete and return" with the letter acknowledging his or her request for innocent spouse relief so that the Offer in Compromise Section can still obtain the information needed to determine whether other equitable relief is warranted;
- Amending Regulation 5241 so that it requires the Offer in Compromise Section to provide a spouse with instructions about how to request reconsideration in the event relief is initially denied; and
- Amending Regulation 5242 so that a spouse can request reconsideration from the Board if the Offer in Compromise Section denies both innocent spouse relief and other equitable relief as to any liability included in his or her request for innocent spouse relief.

In addition, spouses file "requests," not claims, for innocent spouse relief under Regulations 1705.1, 4903, and 5240, and Regulation 5241 currently uses the semantically correct phrase "non-requesting spouse" to refer to the spouse of an individual who is requesting innocent spouse relief. However, Regulations 1705.1 and 4903 generally refer to "requests" as "claims," a spouse requesting relief as a "claiming spouse," and the spouse of an individual who is requesting relief as a "nonclaiming spouse." Therefore, in the May 6, 2015, Chief Counsel Memorandum, Board staff recommended addressing these minor inconsistencies by replacing all of Regulations 1705.1's and 4903's references to "claims," "claiming spouse," and "nonclaiming spouse" with references to "requests," "requesting spouse," and "non-requesting spouse," respectively, so that Regulations 1705.1, 4903, and 5241 use consistent and accurate terminology.

Moreover, in the May 6, 2015, Chief Counsel Memorandum, Board staff recommended that the Board make minor grammatical and formatting changes to renumbered subdivisions (g) and (h) in Regulations 1705.1 and 4903. Board staff also recommended that the Board delete the cross-references to specific subdivisions in Regulations 1705.1 and 4903 from Regulations 5240 and 5242 because the specific subdivisions have been

renumbered and it is not necessary to specifically refer to the subdivisions to understand the meaning of Regulations 5240's and 5242's cross-references to Regulations 1705.1 and 4903. Board staff further recommended that the Board added an inadvertently omitted "s" to the end of Oil Spill Response, Prevention and Administration "Fee" in Regulation 5240, subdivision (a). Board staff additionally recommended revising the reference to Regulation 5241, subdivision (d), present in subdivision (c) of Regulation 5242 so that it refers to Regulation 5241, subdivision (c).

Board staff submitted the May 6, 2015, Chief Counsel Memorandum to the Board for consideration during its May 27, 2015, meeting and, during the meeting, the Board Members unanimously voted to propose the amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 recommended by staff, although Chairman Jerome Horton was absent and did not vote. The Board determined that the proposed amendments are reasonably necessary for the specific purposes of addressing the administrative issue referred to above, ensuring that Regulations 1705.1, 4903, and 5241 use consistent and accurate terminology, and clearly and efficiently administering the RTC provisions for innocent spouse relief and other equitable relief, cited above.

Prior to publishing this notice for the proposed amendments the Board authorized on May 27, 2015, Board staff realized that the Board inadvertently omitted references to RTC section 60601, which authorizes the Board to adopt regulations to implement, interpret, and make specific the provisions of the Diesel Fuel Tax Law, from the 2013 amendments to Regulations 5240's, 5241's, and 5242's authority notes. And, the Board also inadvertently omitted references to RTC section 60210.5, which authorizes the Board to prescribe regulations providing for innocent spouse relief and other equitable relief from liabilities imposed under the Diesel Fuel Tax Law, from the 2013 amendments to Regulations 5240's, 5241's, and 5242's reference notes. Therefore, the Board has also included references to RTC sections 60601 and 60210.5 in the proposed amendments to Regulations 5240's, 5241's, and 5242's authority and reference notes, respectively, which were not discussed in the May 6, 2015, Chief Counsel Memorandum, because the Board has determined that these additional amendments are reasonably necessary for the specific purpose of addressing the Board's prior omissions from the 2013 amendments.

The Board anticipates that the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will benefit taxpayers by making it easier for taxpayers to be considered for other equitable relief, and the proposed amendments will benefit taxpayers, Board staff, and the Board by making the Board's review of requests for innocent spouse relief and other equitable relief more efficient. The proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 were not mandated by federal law or regulations. There is no previously adopted or amended federal regulation that is identical to Regulations 1705.1, 4903, 5240, 5241, and 5242 or the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242.

DOCUMENTS RELIED UPON

The Board relied upon the May 6, 2015, Chief Counsel Memorandum, the exhibits to the memorandum, and the comments made during the Board's discussion of the memorandum during its May 27, 2015, meeting in deciding to propose the amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 described above.

#### ALTERNATIVES CONSIDERED

The Board considered whether to begin the formal rulemaking process to adopt the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 at this time or, alternatively, whether to take no action at this time. The Board decided to begin the formal rulemaking process to adopt the proposed amendments at this time because the Board determined that the amendments are reasonably necessary for the reasons set forth above.

The Board did not reject any reasonable alternative to the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 that would lessen any adverse impact the proposed action may have on small business or that would be less burdensome and equally effective in achieving the purposes of the proposed action. No reasonable alternative has been identified and brought to the Board's attention that would lessen any adverse impact the proposed action may have on small business, be more effective in carrying out the purposes for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

#### INFORMATION REQUIRED BY GOVERNMENT CODE SECTION 11346.2, SUBDIVISION (b)(5) AND ECONOMIC IMPACT ASSESSMENT REQUIRED BY GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

As previously explained, the Board adopted Regulations 1705.1, 4903, 5240, 5241, and 5242 to implement, interpret, and make specific the RTC provisions for innocent spouse relief and other equitable relief, cited above. Currently, the regulations collectively provide for the initial filing and review of a taxpayer's request for innocent spouse relief, and the subsequent filing and review of the taxpayer's request for other equitable relief only after the taxpayer's request for innocent spouse relief is denied, and the regulations only permit a taxpayer to request reconsideration from the Board if the taxpayer is denied other equitable relief. The proposed amendments make the Board's administration of the RTC provisions for innocent spouse relief and other equitable relief more efficient by providing for the filing of one request for innocent spouse relief, the review of that request by the Board's Offer in Compromise Section to determine if either innocent spouse relief or other equitable relief is warranted at the same time, and the ability to request reconsideration from the Board if an individual requesting relief is not granted either innocent spouse relief or other equitable relief from all the liabilities in his or her request. As a result, the proposed amendments change the Board's procedures by eliminating the requirement that some taxpayers file a separate request for other equitable relief, in addition to their requests for innocent spouse relief, within the applicable statute

of limitations. The proposed amendments also change the Board's procedures so that Board staff and the Board can consider whether a taxpayer qualifies for innocent spouse relief and other equitable relief at the same time.

However, the proposed amendments do not change the substantive requirements for granting or denying innocent spouse relief and other equitable relief. And, after the proposed amendments, a taxpayer will still need to provide the same information to the Offer in Compromise Section that is currently needed to determine whether the taxpayer qualifies for innocent spouse relief and other equitable relief.

As a result, the Board's Legal Department has determined that the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will make it easier for taxpayers to be considered for other equitable relief and make it more efficient for the Offer in Compromise Section and the Board to determine whether taxpayers are entitled to such relief. However, the proposed amendments will not substantially increase or decrease the number of requests for innocent spouse relief currently filed with the Offer in Compromise Section. The proposed amendments will not substantially increase or decrease the amount of innocent spouse relief and other equitable relief currently granted by the Board. And, as a result, the proposed amendments will not have a measurable impact on revenue.

Therefore, the Board anticipates that the proposed amendments will benefit taxpayers by making it easier for taxpayers to be considered for other equitable relief, and the proposed amendments will benefit taxpayers, Board staff, and the Board by making the Board's review of requests for innocent spouse relief and other equitable relief more efficient. However, the Board estimates that the proposed amendments will not have a measurable economic impact on individuals and business. And, the Board has determined that the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 are not a major regulation, as defined in Government Code section 11342.548 and California Code of Regulations, title 1, section 2000, because the Board has estimated that the proposed amendments will not have an economic impact on California business enterprises and individuals in an amount exceeding fifty million dollars (\$50,000,000) during any 12-month period.

Further, based on these facts and all of the information in the rulemaking file, the Board has also determined that the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

Furthermore, Regulations 1705.1, 4903, 5240, 5241, and 5242 do not regulate the health and welfare of California residents, worker safety, or the state's environment. Therefore, the Board has also determined that the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will not affect the benefits of Regulations 1705.1, 4903, 5240, 5241, and 5242 to the health and welfare of California residents, worker safety, or the state's environment.

The forgoing information also provides the factual basis for the Board's initial determination that the adoption of the proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 will not have a significant adverse economic impact on business.

The proposed amendments to Regulations 1705.1, 4903, 5240, 5241, and 5242 may affect small businesses.

**1705.1. Innocent Spouse or Registered Domestic Partner Relief from Liability.**

(a) In General. A spouse ~~claiming~~ may request innocent spouse relief from liability for any sales or use tax, interest, penalties, and other amounts. A requesting spouse shall be relieved from such liability where all of the following requirements are met:

- (1) A liability is incurred under the Sales and Use Tax Law;
- (2) The liability is attributable to the non-requesting~~nonclaiming~~ spouse;
- (3) The spouse ~~claiming~~ requesting relief establishes that he or she did not know of, and that a reasonably prudent person in the requesting~~claiming~~ spouse's circumstances would not have had reason to know of, the liability; and
- (4) It would be inequitable to hold the requesting~~claiming~~ spouse liable for the liability, taking into account whether the requesting~~claiming~~ spouse significantly benefited directly or indirectly from the liability, and taking into account all other facts and circumstances.

(b) "Benefited." Whether a requesting~~claiming~~ spouse has benefited directly or indirectly from the liability will be determined by a review by the Board of all of the available evidence. Normal support payment is not a significant benefit for purposes of this determination. Normal support is measured relative to each family's standard of living. The requesting~~claiming~~ spouse will not be deemed to have benefited directly or indirectly from the liability solely as a result of normal support unless his or her lifestyle significantly improved during the periods of liability. Gifts received by the requesting~~claiming~~ spouse, or lavish or luxury purchases made by either spouse may be evidence that the requesting~~claiming~~ spouse benefited directly or indirectly from the liability. Evidence of direct or indirect benefit may consist of transfers of property, including transfers which may be received several years after the calendar quarter in which the liability occurred. For example, if a requesting~~claiming~~ spouse receives from the other spouse an inheritance of property or life insurance proceeds which are traceable to the liability, the requesting~~claiming~~ spouse will be considered to have benefited from that liability. Other factors considered may include desertion of the requesting~~claiming~~ spouse by the other spouse or that the spouses have become divorced or separated subsequent to the periods of liability.

(c) Attribution. The determination of the spouse to whom items of liability are attributable shall be made without regard to community property laws.

(1) A ~~claim~~ request for innocent spouse relief may be filed if, at the time relief is requested, the requesting~~claiming~~ spouse is no longer married to or is legally separated from the non-requesting~~nonclaiming~~ spouse, or the requesting~~claiming~~ spouse is no longer a member of the same household as the non-requesting~~nonclaiming~~ spouse.

(2) With respect to a liability incurred as a result of a failure to file a return or an omission of an item from the return, attribution to one spouse may be determined by whether a spouse rendered substantial services as a retailer of taxable items related to the liability. If neither spouse rendered substantial services as a retailer, then the attribution of the liability shall be

treated as community property. A liability incurred as a result of an erroneous deduction or credit shall be attributable to the spouse who caused that deduction or credit to be entered on the return.

(d) Written Request for Relief. To seek relief under subdivision (a) ~~these provisions~~, a requesting spouse must file ~~may submit~~ a written request for innocent spouse relief setting forth the seller's permit number, the period for which relief is requested, and the specific grounds upon which the request for relief is based.

(e) Other Equitable Relief. A requesting spouse may also be relieved of liability for any unpaid tax or deficiency under the Sales and Use Tax Law if, taking into account all the facts and circumstances, it is inequitable to hold the requesting spouse liable for such amount attributable to any item for which relief is not available under subdivisions (a) through (d). A spouse shall be considered for other equitable relief under this subdivision after the spouse has filed a written request for innocent spouse relief under subdivision (d).

(1) Factors that may be considered for the purpose of granting other equitable relief include, but are not limited to:

(A) The requesting spouse is separated (whether legally or not) or divorced from the non-requesting spouse.

(B) The requesting spouse would suffer economic hardship if relief is not granted.

(C) The requesting spouse, under duress from the non-requesting spouse, did not pay the liability. To substantiate "duress," the requesting spouse must provide objective evidence. "Objective evidence" can include, but is not limited to, such documents as police reports, restraining orders, or counseling reports.

(D) The requesting spouse did not know and had no reason to know about the items causing the understatement or that the tax would not be paid.

(E) The non-requesting spouse has a legal obligation under a divorce decree or agreement to pay the tax. (This obligation will not be considered a positive factor if the requesting spouse knew or had reason to know, at the time the divorce decree or agreement was entered into, that the non-requesting spouse would not pay the tax.)

(F) The tax for which the requesting spouse is requesting relief is attributable to the non-requesting spouse.

(2) Factors that may be considered for purposes of denying other equitable relief include, but are not limited to:

(A) The requesting spouse will not suffer economic hardship if relief is not granted.

(B) The requesting spouse knew or had reason to know about the items causing the understatement or that the tax would be unpaid at the time the requesting spouse signed the return.

(C) The requesting spouse received a significant benefit from the unpaid tax or items causing the understatement.

(D) The requesting spouse has not made a good faith effort to comply with the Board's laws for the periods for which the requesting spouse is requesting relief or for subsequent periods of liability.

(E) The requesting spouse has a legal obligation under a divorce decree or agreement to pay the tax.

(F) The tax for which relief is being requested is attributable to the requesting spouse.

(f) Reconsideration. A requesting spouse who is denied innocent spouse relief and other equitable relief as to any liability included in his or her request for innocent spouse relief may request that the denials of such relief be reconsidered by the Board.

(ge) Statute of Limitations. These provisions for innocent spouse relief and other equitable relief shall apply to all calendar quarters for requests filed claims made no later than one year after the Board's board's first contact with the spouse making the request claim. Requests filed Claims made after one year from the Board's board's first contact with the spouse making the request claim shall not apply to any calendar quarter that is more than

more than five years from the return due date for nonpayment on a return, or

more than five years from the finality date on the Board-issued board-issued determination,

whichever is later.

No calendar quarters shall be eligible for relief under this regulation that have been closed by res judicata.

(hf) Refunds. A refund of any amounts under this regulation these provisions shall be subject to the requirements as set forth in Revenue and Taxation Code sections 6901 through 6908, inclusive.

(ig) This regulation shall apply retroactively to liabilities arising prior to January 1, 1994.

(h) Effective January 1, 2001, a spouse may be relieved of liability for any unpaid tax or deficiency under the Sales and Use Tax Law if, taking into account all the facts and circumstances, it is inequitable to hold the spouse liable for such amount attributable to any item for which relief is not available under subdivisions (a) through (d). A spouse may be considered for equitable relief under this subdivision only after a written claim for relief as an innocent

spouse has been filed pursuant to subdivision (d). A spouse whose claim for equitable relief is denied may request that the claim be reconsidered by the Board.

(1) Criteria for Equitable Relief.

(A) Factors that may be considered for the purpose of granting equitable relief include, but are not limited to:

1. The claiming spouse is separated (whether legally or not) or divorced from the nonclaiming spouse.
2. The claiming spouse would suffer economic hardship if relief is not granted.
3. The claiming spouse, under duress from the nonclaiming spouse, did not pay the liability. To substantiate "duress," the claiming spouse must provide objective evidence. "Objective evidence" can include, but is not limited to, such documents as police reports, restraining orders, or counseling reports.
4. The claiming spouse did not know and had no reason to know about the items causing the understatement or that the tax would not be paid.
5. The nonclaiming spouse has a legal obligation under a divorce decree or agreement to pay the tax. (This obligation will not be considered a positive factor if the claiming spouse knew or had reason to know, at the time the divorce decree or agreement was entered into, that the nonclaiming spouse would not pay the tax.)
6. The tax for which the claiming spouse is requesting relief is attributable to the nonclaiming spouse.

(B) Factors that may be considered for purposes of denying equitable relief include, but are not limited to:

1. The claiming spouse will not suffer economic hardship if relief is not granted.
2. The claiming spouse knew or had reason to know about the items causing the understatement or that the tax would be unpaid at the time the claiming spouse signed the return.
3. The claiming spouse received a significant benefit from the unpaid tax or items causing the understatement.
4. The claiming spouse has not made a good faith effort to comply with the Board's laws for the periods for which the claiming spouse is requesting relief or for subsequent periods of liability.

~~5. The claiming spouse has a legal obligation under a divorce decree or agreement to pay the tax.~~

~~6. The tax for which relief is being requested is attributable to the claiming spouse.~~

~~(2) Conditions for Relief. The following conditions apply to claims for equitable relief:~~

~~(A) The statutes of limitations provided for innocent spouse claims in subdivisions 1705.1(e) and (f) also apply to requests for equitable relief.~~

~~(B) Claims for equitable relief may be filed on liabilities incurred prior to January 1, 2001, including liabilities incurred prior to January 1, 1994, as provided in subdivision (g).~~

(j) The Board shall send notification by mail of the request ~~claim~~ for innocent spouse relief from liability and the basis for that request ~~claim~~ to the non-requesting ~~nonclaiming~~ spouse.

(k) Registered Domestic Partners. Pursuant to Family Code section 297.5, on and after January 1, 2005, registered domestic partners shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations, and duties under law, whether they derive from statutes, administrative regulations, court rules, government policies, common law, or any other provisions or sources of law, as are granted to and imposed upon spouses. Accordingly, for purposes of this regulation, on and after January 1, 2005, domestic partners, as defined in Family Code section 297, have the same rights, protections, and benefits, and are subject to the same responsibilities, obligations, and duties as stated herein with respect to spouses.

Note: Authority cited: Section 7051, Revenue and Taxation Code. Reference: Sections 6066, 6067, 6456 and 6901-6908, Revenue and Taxation Code; and Sections 297 and 297.5, Family Code.

Text of Proposed Amendments to  
California Code of Regulations, Title 18, Section 4903

**4903. Innocent Spouse or Registered Domestic Partner Relief from Liability.**

(a)(4) In General.

(1) A spouse ~~requesting innocent spouse~~~~claiming~~ relief from liability for any tax, fee, or surcharge, interest, penalties, and other amounts shall be relieved from such liability where all the following requirements are met:

(A) A liability is incurred under the Alcoholic Beverage Tax Law, Cigarette and Tobacco Products Tax Law, Diesel Fuel Tax Law, Emergency Telephone Users Surcharge Law, Energy Resources Surcharge Law, Fee Collection Procedures Law, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Motor Vehicle Fuel Tax Law, Oil Spill Response, Prevention, and Administration Fees Law, Private Railroad Car Tax Law, Timber Yield Tax Law, Underground Storage Tank Maintenance Fee Law, or Use Fuel Tax Law;

(B) The liability is attributable to the ~~non-requesting~~~~nonclaiming~~ spouse;

(C) The spouse ~~requesting~~~~claiming~~ relief establishes that he or she did not know of, and that a reasonably prudent person in the ~~requesting~~~~claiming~~ spouse's circumstances would not have had reason to know of, the liability; and

(D) It would be inequitable to hold the ~~requesting~~~~claiming~~ spouse liable for the liability, taking into account whether the ~~requesting~~~~claiming~~ spouse significantly benefited directly or indirectly from the liability, and taking into account all other facts and circumstances.

(2) For purposes of this section, the word "tax" shall mean "tax, fee, or surcharge."

(b) Benefited. Whether a ~~requesting~~~~claiming~~ spouse has benefited directly or indirectly from the liability will be determined by a review by the Board of all of the available evidence. Normal support payment is not a significant benefit for purposes of this determination. Normal support is measured relative to each family's standard of living. The ~~requesting~~~~claiming~~ spouse will not be deemed to have benefited directly or indirectly from the liability solely as a result of normal support unless his or her lifestyle significantly improved during the periods of liability. Gifts received by the ~~requesting~~~~claiming~~ spouse, or lavish or luxury purchases made by either spouse may be evidence that the ~~requesting~~~~claiming~~ spouse benefited directly or indirectly from the liability. Evidence of direct or indirect benefit may consist of transfers of property, including transfers which may be received several years after the calendar quarter in which the liability occurred. For example, if a ~~requesting~~~~claiming~~ spouse receives from the other spouse an inheritance of property or life insurance proceeds which are traceable to the liability, the ~~requesting~~~~claiming~~ spouse will be considered to have benefited from that liability. Other factors considered may include desertion of the ~~requesting~~~~claiming~~ spouse by the other spouse or that the spouses have become divorced or separated subsequent to the periods of liability.

(c) Attribution. The determination of the spouse to whom items of liability are attributable shall be made without regard to community property laws.

(1) A ~~claim~~request for innocent spouse relief may be filed if, at the time relief is requested, the ~~requesting~~claiming spouse is no longer married to or is legally separated from the ~~non-requesting~~nonclaiming spouse, or the ~~requesting~~claiming spouse is no longer a member of the same household as the ~~non-requesting~~nonclaiming spouse.

(2) With respect to a liability incurred as a result of a failure to file a return or an omission of an item from the return, attribution to one spouse may be determined by whether a spouse rendered substantial services as a taxpayer, feepayer, or surcharge payer engaged in an activity or transaction that is subject to a tax administered under the laws specified in paragraph (1) of subdivision (a) and related to the liability. If neither spouse rendered substantial services as a taxpayer, feepayer, or surcharge payer, then the attribution of the liability shall be treated as community property. A liability incurred as a result of an erroneous deduction or credit shall be attributable to the spouse who caused that deduction or credit to be entered on the return.

(d) Written Request for Relief. To seek relief under ~~subdivision (a)~~these provisions, a ~~requesting~~claiming spouse must file~~may submit~~ a written request for innocent spouse relief setting forth the tax account number, the period for which relief is requested, and the specific grounds upon which the request for relief is based.

(e) Other Equitable Relief. A requesting spouse may also be relieved of liability for any unpaid tax or deficiency under the laws specified in paragraph (1) of subdivision (a) if, taking into account all the facts and circumstances, it is inequitable to hold the requesting spouse liable for such amount attributable to any item for which relief is not available under subdivisions (a) through (d). A spouse shall be considered for other equitable relief under this subdivision after the spouse files a written request for innocent spouse relief under subdivision (d).

(1) Factors that may be considered for the purpose of granting other equitable relief include, but are not limited to:

(A) The requesting spouse is separated (whether legally or not) or divorced from the non-requesting spouse.

(B) The requesting spouse would suffer economic hardship if relief is not granted.

(C) The requesting spouse, under duress from the non-requesting spouse, did not pay the liability. To substantiate "duress," the requesting spouse must provide objective evidence. "Objective evidence" can include, but is not limited to, such documents as police reports, restraining orders, or counseling reports.

(D) The requesting spouse did not know and had no reason to know about the items causing the understatement or that the tax would not be paid.

(E) The non-requesting spouse has a legal obligation under a divorce decree or agreement to pay the tax. (This obligation will not be considered a positive factor if the requesting spouse knew or had reason to know, at the time the divorce decree or agreement was entered into, that the non-requesting spouse would not pay the tax.)

(F) The tax for which the requesting spouse is requesting relief is attributable to the non-requesting spouse.

(2) Factors that may be considered for purposes of denying other equitable relief include, but are not limited to:

(A) The requesting spouse will not suffer economic hardship if relief is not granted.

(B) The requesting spouse knew or had reason to know about the items causing the understatement or that the tax would be unpaid at the time the requesting spouse signed the return.

(C) The requesting spouse received a significant benefit from the unpaid tax or items causing the understatement.

(D) The requesting spouse has not made a good faith effort to comply with the Board's laws for the periods for which the requesting spouse is requesting relief or for subsequent periods of liability.

(E) The requesting spouse has a legal obligation under a divorce decree or agreement to pay the tax.

(F) The tax for which relief is being requested is attributable to the requesting spouse.

(f) Reconsideration. A requesting spouse who is denied innocent spouse relief and other equitable relief as to any liability included in his or her request for innocent spouse relief may request that the denials of such relief be reconsidered by the Board.

(ge) Statute of Limitations. These provisions for innocent spouse relief and other equitable relief shall apply to all calendar months, quarters, or years for requests filed ~~claims made~~ no later than one year after the Board's first contact with the spouse making the ~~request~~ ~~claim~~.

Requests filed ~~Claims made~~ after one year from the Board's first contact with the spouse making the ~~request~~ ~~claim~~ shall not apply to any calendar month, quarter, or year that is

more than five years from the return due date for nonpayment on a return, or

more than five years from the finality date on the Board-issued determination or similar billing document for collection of a tax or fee,

whichever is later.

No calendar months, quarters, or years shall be eligible for relief under this regulation that have been closed by res judicata.

(hf) Refunds. A refund of any amounts under ~~this regulation~~ these provisions shall be subject to the requirements as set forth in the refund provisions of the applicable tax, fee, and surcharge law, as specified in paragraph (1) of subdivision (a).

(ig) This regulation shall apply retroactively to liabilities arising prior to January 1, 2008.

~~(h) A spouse may be relieved of liability for any unpaid tax or deficiency under the laws specified in paragraph (1) of subdivision (a) if, taking into account all the facts and circumstances, it is inequitable to hold the spouse liable for such amount attributable to any item for which relief is not available under subdivisions (a) through (d). A spouse may be considered for equitable relief under this subdivision only after a written claim for relief as an innocent spouse has been filed pursuant to subdivision (d). A spouse whose claim for equitable relief is denied may request that the claim be reconsidered by the board.~~

(1) Criteria for Equitable Relief.

(A) Factors that may be considered for the purpose of granting equitable relief include, but are not limited to:

- ~~1. The claiming spouse is separated (whether legally or not) or divorced from the nonclaiming spouse.~~
- ~~2. The claiming spouse would suffer economic hardship if relief is not granted.~~
- ~~3. The claiming spouse, under duress from the nonclaiming spouse, did not pay the liability. To substantiate "duress," the claiming spouse must provide objective evidence. "Objective evidence" can include, but is not limited to, such documents as police reports, restraining orders, or counseling reports.~~
- ~~4. The claiming spouse did not know and had no reason to know about the items causing the understatement or that the tax would not be paid.~~
- ~~5. The nonclaiming spouse has a legal obligation under a divorce decree or agreement to pay the tax. (This obligation will not be considered a positive factor if the claiming spouse knew or had reason to know, at the time the divorce decree or agreement was entered into, that the nonclaiming spouse would not pay the tax.)~~
- ~~6. The tax for which the claiming spouse is requesting relief is attributable to the nonclaiming spouse.~~

(B) Factors that may be considered for purposes of denying equitable relief include, but are not limited to:

1. ~~The claiming spouse will not suffer economic hardship if relief is not granted.~~
2. ~~The claiming spouse knew or had reason to know about the items causing the understatement or that the tax would be unpaid at the time the claiming spouse signed the return.~~
3. ~~The claiming spouse received a significant benefit from the unpaid tax or items causing the understatement.~~
4. ~~The claiming spouse has not made a good faith effort to comply with the board's laws for the periods for which the claiming spouse is requesting relief or for subsequent periods of liability.~~
5. ~~The claiming spouse has a legal obligation under a divorce decree or agreement to pay the tax.~~
6. ~~The tax for which relief is being requested is attributable to the claiming spouse.~~

(2) ~~Conditions for Relief. The following conditions apply to claims for equitable relief:~~

~~(A) The statutes of limitations provided for innocent spouse claims in subdivisions (e) and (f) also apply to requests for equitable relief.~~

~~(B) Claims for equitable relief may be filed on liabilities incurred prior to January 1, 2008, as provided in subdivision (g).~~

(j) ~~The Board shall send notification by mail of the request~~ claim ~~for innocent spouse relief from liability and the basis for that request~~ claim ~~to the non-requesting~~ non-claiming ~~spouse.~~

(k) ~~Registered Domestic Partners. Pursuant to Family Code section 297.5, registered domestic partners shall have the same rights, protections, and benefits, and shall be subject to the same responsibilities, obligations, and duties under law, whether they derive from statutes, administrative regulations, court rules, government policies, common law, or any other provisions or sources of law, as are granted to and imposed upon spouses. Accordingly, for purposes of this regulation, domestic partners, as defined in Family Code section 297, have the same rights, protections, and benefits, and are subject to the same responsibilities, obligations, and duties as stated herein with respect to spouses.~~

Note: Authority cited: Sections 8251, 9251, 11651, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, 55301 and 60601, Revenue and Taxation Code. Reference: Sections 7657.5, 8101-8131, 8880, 9151-9156, 11408.5, 11551-11555, 30285, 30361-30384, 32258, 32401-32407, 38454.5, 38601-38607, 40105, 40111-40117, 41099, 41100-41106, 43159.1, 43159.2, 43451-43456, 45158, 45651-45656, 46159, 46501-46507, 50112.6, 50139-50142.2, 55045.1, 55221-55226, 60210.5 and 60501-60512, Revenue and Taxation Code; and Sections 297, 297.5 and 308, Family Code.

Text of Proposed Amendments to  
California Code of Regulations, Title 18, Section 5240

**5240. Persons Who May File, Contents of, and Manner of Filing Requests for Innocent Spouse Relief.**

(a) Who May Request Relief. A divorced or separated individual may file a request for innocent spouse relief with the Board regarding taxes and fees imposed under the Sales and Use Tax Law, Motor Vehicle Fuel Tax Law, Use Fuel Tax Law, Diesel Fuel Tax Law, Cigarette and Tobacco Products Tax Law, Alcoholic Beverage Tax Law, Timber Yield Tax Law, Energy Resources Surcharge Law, Emergency Telephone Users Surcharge Law, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Oil Spill Response, Prevention and Administration Fees Law, Underground Storage Tank Maintenance Fee Law, and Fee Collection Procedures Law.

(b) Request Requirements. A request for innocent spouse relief must be:

- (1) In writing.
- (2) Signed and dated by the individual requesting relief.
- (3) Specifically request innocent spouse relief.
- (4) Identify the tax or fee from which relief is sought.
- (5) Contain all of the information requested on Form BOE-682-A, including a specific explanation as to why the individual requesting relief believes he or she should not be held responsible for the liability at issue.

(c) Use of Forms. A request for innocent spouse relief prepared and filed on a completed Form BOE-682-A satisfies the requirements of subdivision (b).

(d) Limitation Period. A request for innocent spouse relief must be filed with the Board within the applicable time periods provided in California Code of Regulations, title 18, section 1705.1, ~~subdivision (e)~~, or section 4903, ~~subdivision (e)~~.

(e) Filing Requests. A request for innocent spouse relief or related document may be filed electronically under this section if a copy of the document is transmitted to the Offer in Compromise Section in accordance with instructions provided on the Board's website at [www.boe.ca.gov](http://www.boe.ca.gov). Requests for innocent spouse relief may be mailed to the Offer in Compromise Section at the following address:

OFFER IN COMPROMISE SECTION, MIC 52  
STATE BOARD OF EQUALIZATION  
P.O. BOX 942879  
SACRAMENTO, CA 94279-0052

A request for innocent spouse relief and related documents may also be hand delivered to the Board's headquarters at 450 N Street in Sacramento, California, or submitted to a collector that is already assigned to the account at issue.

Note: Authority cited: Section 15606, Government Code; and Sections 7051, 8251, 9251, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, ~~and 55301~~ and 60601, Revenue and Taxation Code. Reference: Sections 6456, 7202, 7203, 7261, 7262, 7270, 7657.5, 8880, 30285, 32258, 38454.5, 40105, 41099, 43159.1, 43159.2, 45158, 46159, 50112.6, ~~and 55045.1~~ and 60210.5, Revenue and Taxation Code.

Text of Proposed Amendments to  
California Code of Regulations, Title 18, Section 5241

**5241. Acknowledgement and Review of Requests for Innocent Spouse Relief.**

(a) ~~Acknowledgment~~Review. When the Offer in Compromise Section receives a request for innocent spouse relief, it will:

(1) Send the individual requesting relief an acknowledgement letter containing the contact information for the Offer in Compromise Section, and include a questionnaire and financial statement for the individual requesting relief to complete and return.

(2) Inform the non-requesting spouse that the request has been filed and the basis for the request, and permit the non-requesting spouse to submit information to support or counter the request.

~~(3) Evaluate the merits of the request.~~

~~(4) Request additional documentation from the individual requesting relief, if necessary.~~

(b) Review. The Offer in Compromise Section will review a request for innocent spouse relief to determine whether the individual requesting relief is eligible for innocent spouse relief or other equitable relief from all the liabilities included in his or her request, as provided in California Code of Regulations, title 18, section 1705.1 or section 4903. The Offer in Compromise Section may request additional information from the individual requesting relief if necessary to complete such review, including requesting additional information in the acknowledgement letter.

(c) Written Findings. Once its review is completed, the Offer in Compromise Section will mail the individual requesting relief a letter granting or denying innocent spouse relief and other equitable relief, and explaining why such relief was granted or denied. If the Offer in Compromise Section denies both innocent spouse relief and other equitable relief as to any liability included in a request for innocent spouse relief, the letter shall include instructions about how to request reconsideration.

~~(b) Granted Request for Innocent Spouse Relief. If the Offer in Compromise Section approves a request for innocent spouse relief, it will prepare and send the individual who requested relief a letter explaining the relief that was granted.~~

~~(c) Denied Request for Innocent Spouse Relief. If the Offer in Compromise Section denies a request for innocent spouse relief, it will:~~

~~(1) Prepare and send the individual requesting relief a letter explaining why the request was denied; and~~

~~(2) If it appears that the individual requesting relief might be eligible for other equitable relief as provided in California Code of Regulations, title 18, section 1705.1, subdivision (h), or section 4903, subdivision (h), the Offer in Compromise Section will include a questionnaire and financial statement for the individual requesting relief to complete and return.~~

~~(d) Requests for Other Equitable Relief. If the individual requesting relief returns a completed questionnaire and financial statement, the Offer in Compromise Section will review the documents to see if other equitable relief is warranted using the factors provided in California Code of Regulations, title 18, section 1705.1, subdivision (h), or section 4903, subdivision (h). Once this review is completed, the Offer in Compromise Section will mail the individual requesting relief a letter granting or denying equitable relief and explaining why such relief was granted or denied.~~

Note: Authority cited: Section 15606, Government Code; and Sections 7051, 8251, 9251, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, ~~and 55301~~ and 60601, Revenue and Taxation Code. Reference: Sections 6456, 7202, 7203, 7261, 7262, 7270, 7657.5, 8880, 30285, 32258, 38454.5, 40105, 41099, 43159.1, 43159.2, 45158, 46159, 50112.6, ~~and 55045.1~~ and 60210.5, Revenue and Taxation Code.

Text of Proposed Amendments to  
California Code of Regulations, Title 18, Section 5242

**5242. Requests for Reconsideration by the Board.**

(a) ~~If the Offer in Compromise Section denies both innocent spouse relief and a request for other equitable relief as to any liability included in a request for innocent spouse relief is denied, the individual requesting relief may request that the denials be reconsidered by the Board at a Board hearing as provided in California Code of Regulations, title 18, section 1705.1, subdivision (h), or section 4903, subdivision (h). A request for a Board hearing may be denied on a request for reconsideration other equitable relief, however, requests will be liberally granted.~~

(b) A Board hearing may be requested by following the instructions contained in the ~~denial~~ letter described in section 5241, subdivision (c~~d~~).

(c) If a request for a Board hearing is granted, the individual requesting relief may be required to participate in an appeals conference with the Appeals Division prior to the Board hearing.

Note: Authority cited: Section 15606, Government Code; and Sections 7051, 8251, 9251, 30451, 32451, 38701, 40171, 41128, 43501, 45851, 46601, 50152, ~~and~~ 55301 and 60601, Revenue and Taxation Code. Reference: Sections 6456, 7202, 7203, 7261, 7262, 7270, 7657.5, 8880, 30285, 32258, 38454.5, 40105, 41099, 43159.1, 43159.2, 45158, 46159, 50112.6, ~~and~~ 55045.1 and 60210.5, Revenue and Taxation Code.

## Regulation History

**Types of Regulations:** Sales and Use Tax, Special Taxes and Fees, Rules for Tax Appeals

**Regulations:** 1705.1, 4903, 5240, 5241, 5242

**Title:** 1705.1, *Innocent Spouse or Registered Domestic Partner Relief from Liability*  
4903, *Innocent Spouse or Registered Domestic Partner Relief from Liability*,  
5240, *Persons Who May File, Contents of, and Manner of Filing*  
*Requests for Innocent Spouse Relief*,  
5241, *Acknowledgement and Review of Requests for Innocent Spouse Relief*  
5242, *Requests for Reconsideration by the Board*

**Preparation:** Bradley M. Heller  
**Legal Contact:** Bradley M. Heller

The State Board of Equalization proposes to adopt amendments to eliminate the requirement that individuals file a separate request to be considered for other equitable relief.

### History of Proposed Regulation:

September 16-17, 2015	Public Hearing
July 17, 2015	OAL publication date; 45-day public comment period begins; Interested Parties mailing
July 2, 2015	Notice to OAL
May 27, 2015	Business Tax Committee, Board Authorized Publication (Vote 4-0)

Sponsor: NA  
Support: NA  
Oppose: NA