

**Exhibit 1: Outline for Promulgation of New Division 2.1**

**Title 18. Public Revenues**

**Division 1. State Board of Equalization – Property Tax**

**Division 2. State Board of Equalization – Business Taxes**

(Repeal Chapter 10, §§ 5010-5095, Current Rules of Practice)

**Division 2.1. State Board of Equalization – Administration**

(“New Division 2.1”)

**Chapter 1: Title**

5000.1000 Statement of Intent; Title.

**Chapter 2: Sales and Use Tax, Timber Yield Tax, and Special Taxes and Fees**

*Article 1: Application of this Chapter*

*(History: Cal. Code Regs., tit. 18, §§ 5020, 5036)*

5000.2000 Application of Chapter.

5000.2001 International Fuel Tax Agreement.

(Formerly Cal. Code Regs., tit. 18, § 5020, subd. (c), as amended)

5000.2002 Notice.

(Formerly Cal. Code Regs., tit. 18, § 5036, as amended)

*Article 2A: Petitioning Notices of Determination and Notices of Deficiency Assessment*

*(History: Cal. Code Regs., tit. 18, §§ 5021, 5023)*

5000.2010 Persons Permitted to File Petitions for Redetermination.

5000.2011 Successor’s Petition for Reconsideration.

5000.2012 Limitation Period.

5000.2013 Contents of Petitions for Redetermination, and Supporting Arguments and Evidence.

5000.2014 Amendments to Petitions for Redetermination.

5000.2015 Accrual of Interest.

5000.2016 Filing Petitions for Redetermination Pursuant to Tax on Insurers Law.

5000.2017 Scope of Petition for Redetermination Filed Pursuant to Hazardous Substances Tax Law.

5000.2018 Scope of Petition for Redetermination Filed Pursuant to Covered Electronic Waste Recycling Fee.

5000.2019 Scope of Petition for Redetermination Filed Pursuant to Water Rights Fee Law.

5000.2020 Filing Petitions for Redetermination.

5000.2021 Assignment and Acknowledgement of Petitions for Redetermination.

5000.2022 Review of the Petition and Referral to District Office or Audit Group.

5000.2023 Assignment of Petition to Appeals Division.

*Article 2B: Filing an Administrative Protest*

5000.2030 Premature or Untimely Petition as Administrative Protest.

5000.2031 Accrual of Interest.

5000.2032 No Stay of Collection Activities.

*Article 2C: Contesting a Jeopardy Determination*

*(History: Cal. Code Regs., tit. 18, §§ 5030, 5031, 5032, 5033, 5034, 5035)*

5000.2040 A Notice of Jeopardy Determination is Immediately Due and Payable.

5000.2041 Persons Permitted to Petition a Notice of Jeopardy Determination.

5000.2042 Contents of Petitions for Redetermination of Jeopardy Determination.

5000.2043 Limitation Period for Petitions for Redetermination of Jeopardy Determination.

5000.2044 Security Requirement for Petitions.

5000.2045 Administrative Review of Petitions for Redetermination of Jeopardy Determination.

5000.2046 Application for Administrative Hearing.

5000.2047 Limitation Period for Applications for Administrative Hearing.

5000.2048 Contents of Applications for Administrative Hearing.

5000.2049 Option to Post Security.

5000.2049.5 Assignment of Applications for Administrative Hearing to Appeals Division.

*Article 3: Claims for Refund*

*(History: Cal. Code Regs., tit. 18, §§ 5022, 5023, 5024)*

5000.2050 Persons Permitted to File a Claim for Refund.

5000.2051 Limitation Period.

5000.2052 Failure to File Timely Claims for Refund.

5000.2053 Contents of Claims for Refund.

5000.2054 Contents of Claims for Refund Under Diesel Fuel Tax Law.

5000.2055 Claims for Refund Regarding Lost, Unmarketable or Condemned Alcoholic Beverages.

5000.2056 Contents of Claims for Refund Filed under the Cigarette and Tobacco Products Tax Law.

5000.2057 Filing Claims for Refund.

5000.2058 Assignment and Acknowledgment of Claims for Refund.

5000.2059 Review Process and Request for Additional Information.

5000.2060 Action on the Claim.

5000.2061 Discretion to Grant or Deny Conferences and Hearings.

5000.2062 Refunds Over \$50,000.

5000.2063 Credits and Offsets.

5000.2064 Combined Claims for Refund on Behalf of Class of Taxpayers (Sales and Use Tax, including State-administered local sales, transactions, and use taxes).  
(Formerly Cal. Code Regs., tit. 18, § 5024)

*Article 4A: Requests for Innocent Spouse Relief Under the Sales and Use Tax Law  
(History: Cal. Code Regs., tit. 18, §§ 1705.1, 5023)*

5000.2070 Requests for Innocent Spouse Relief.

5000.2071 Reviewing Requests for Innocent Spouse Relief.

5000.2072 Requests for Reconsideration by the Board.

*Article 4B: Successor's Request for Relief of Penalty Under the Sales and Use Tax Law  
(History: Cal. Code Regs., tit. 18, §§ 1702, 5023)*

5000.2075 Successor's Request for Relief.

*Article 4C: Other Requests for Relief of Penalties and Interest  
(History: Cal. Code Regs., tit. 18, § 5023)*

5000.2080 No Independent Right to Oral Board Hearing.

5000.2081 Requests for Relief for Reasonable Cause.

5000.2082 Requests for Relief Due to Unreasonable Error or Delay.

5000.2083 Requests for Relief Due to Reasonable Reliance on Written Advice.

5000.2084 Requests for Relief Due to Disaster.

5000.2085 Filing Requests for Relief.

5000.2086 Assignment of Requests for Relief.

5000.2087 Reviewing Requests for Relief.

*Article 5: Claims (Inquiries) of Incorrect or Non-Distribution of Local and District Taxes*

5000.2090 Reviewing Claims and Inquiries Regarding Incorrect or Non-Distribution of Local and District Taxes.

*Article 6: Appeals Conferences*

*(History: Cal. Code Regs., tit. 18, §§ 5020, 5023)*

5000.2100 Referral to Appeals Division for Appeals Conference.

5000.2101 Notice of Appeals Conference.

5000.2102 Rescheduling or Postponing Appeals Conferences.

5000.2103 Expediting an Appeals Conference.

5000.2104 Conducting the Appeals Conference.

5000.2105 Issuing a Decision and Recommendation.

5000.2106 Conference Holder Recommendations.

5000.2107 Post Appeals Conference Notices.

5000.2108 Board Hearings.

*(Formerly Cal. Code Regs., tit. 18, § 5020, subd. (a), as amended)*

*Article 7: Optional Briefs for Oral Hearings Before the Board*

*(History: Cal. Code Regs., tit. 18, § 5075)*

5000.2110 Briefing Schedule.

(Final language to be determined by the Board from three alternatives)

5000.2111 Extensions.

Chapter 3: Property Taxes

(Part 3 of September 14, 2005 Proposal, Administrative Review of Property Taxes, as adopted)

Chapter 4: Appeals from Actions of the Franchise Tax Board

(Part 4 of September 14, 2005 Proposal, Appeals from Actions of the Franchise Tax Board, as adopted)

Chapter 5: General Board Hearing Procedures

(Part 5 of September 14, 2005 Proposal, General Board Hearing Procedures, as adopted)

Chapter 6 (§§5000.6010-5000.6015): Taxpayer Bill of Rights Reimbursement Claims

(Article 9, §§5090-5095, of Current Rules of Practice)

**Division 2.2. State Board of Equalization – Conflict of Interest Code**  
(Formerly Division 2.1)

**Division 2.3. State Board of Equalization – Contribution Disclosure**  
(Formerly Division 2.2)

**Division 2.4. State Board of Equalization – Access to Records**  
(Formerly Division 2.3)

**Division 2.5. State Controller**