

January 19, 2006

TO INTERESTED PARTIES:

The Rules of Practice of the State Board of Equalization (Cal. Code of Regs., Title 18, Sections 5010 et seq.) are in the process of being revised and incorporated into the Board of Equalization Rules for California Tax Administration and Appellate Review (New Rules). The initial draft language for Part 4 of the New Rules, relating to appeals from actions of the Franchise Tax Board, was posted on the Board's website on September 14, 2005. Revisions to the initial draft language were also posted on the Board's website on December 9, 2005.

Staff has received valuable comments and suggestions with regard to the versions of Part 4 that were released on September 14, 2005, and December 9, 2005. In response to those comments, staff is now releasing a newly revised version of Part 4 that will, among other things, provide for electronic delivery of documents, create an elective streamlined procedure for small tax and Homeowner and Renter Assistance cases, and allow for discretionary pre-hearing conferences. The newly revised version is presented in two formats: first is an "underline-and-strikethrough" format that shows the revisions made to the version of Part 4 that was released on September 14, 2005; second is a finalized format that does not specifically identify each revision. In addition, staff has prepared a table to explain why particular suggestions from interested parties were accepted or not accepted.

Staff invites you to submit comments regarding the newly revised version of Part 4. Staff will also be scheduling an interested parties' meeting to discuss the recent revisions. The meeting is likely to be held in mid-February 2006 or sometime thereafter. A notice with the date, time and location of the meeting will be issued in the near future.

Staff would like to thank all the interested parties for their past and continued comments and suggestions.