



STATE BOARD OF EQUALIZATION

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September 29, 2016

VIA INTERNET

Dear Interested Party:

The Compliance Policy and Procedures Manual (CPPM) is a guide for the Board of Equalization (BOE) staff in administering tax and fee programs. It is available to the public and can be accessed from the BOE web page at <http://www.boe.ca.gov/sutax/staxmanuals.htm>.

The Business Tax and Fee Department is proposing to revise CPPM Chapters 3 and 7 to incorporate existing policies and procedures relating to the Revised Uniform Partnership Act of 1994 (RUPA).

The revision material is provided on the following pages for the convenience of interested parties who may wish to submit comments or suggestions. Please feel free to publish this information on your website or otherwise distribute it to your association/members.

If you have any comments or suggestions related to the proposed CPPM revisions, you may contact the BOE at CPPM.RevisionSuggestions@boe.ca.gov. Your comments or suggestions must be received by BOE no later than **November 30, 2016**, in order to be considered by staff. Thank you for your consideration.

Sincerely,

Chief, Tax Policy Division
Business Tax and Fee Department

PARTNERSHIP CHANGES

301.000

RUPA PROVISIONS

301.010

~~The Revised Uniform Partnership Act (RUPA) made significant changes to the laws governing partnerships in California and requires changes to the way the Board administers partnership accounts. It became effective on January 1, 1997 for all new partnerships formed in this state on or after that date. It became effective on January 1, 1999 for all partnerships — regardless of when they were formed. Partnerships formed prior to January 1, 1997 could elect to be governed by RUPA during the “transition” period from January 1, 1997 to January 1, 1999. (If no such election was made, they would not have become subject to RUPA until January 1, 1999.)~~

The Revised Uniform Partnership Act of 1994 (RUPA) provides that partnerships are distinct and separate *entities* from their individual partners and allows for the continuation of a partnership with the addition or deletion of partners. ~~{For more detailed information on the impact of RUPA on collection activity, see revised CPPM Ssection 724.000}.}~~

In accordance with RUPA provisions, staff should not close-out a partnership permit and issue a new one merely because of a change in partners (unless a written partnership agreement specifies dissolution of the partnership when a change in partners occurs). Since the permit will continue, for account maintenance and other purposes, it is imperative that partner-change information be properly documented when received by staff.

DOCUMENTING PARTNERSHIP CHANGES

301.020

RUPA provides for the continuation of a partnership when a change in partners occurs. There is no requirement that the ~~Board~~BOE be contacted and notified when a new partner is added or when a partner dissociates from the partnership.

Although RUPA does not require notification to creditors when a change in partners occurs, prompt notification to the ~~Board~~BOE will protect former partners from being ~~charged with personal liability~~held liable for tax deficiencies incurred by the remaining partners after dissociation and help protect new partners from being ~~charged with personal liabilities of~~held liable for debts incurred before they joined the partnership. Therefore, when staff learns that a change in partners has occurred, it is important that the following information be documented to help ensure that ~~Board~~BOE records are accurate and up to date.

When notified by telephone that a partner has been added or dissociated, the person receiving the information should obtain and document the following information:

1. Name of the person providing the information.
2. Phone number and address of person providing the information.
3. Name of partnership and/or name of business (DBA).
4. Account number, if known.
5. Name(s) of managing partner or partners (at least one partner’s name should be obtained).
6. Name(s) of partner(s) added or dissociated.
7. Effective date(s) of change.

Note: The ~~Partner Change Information sheet, Form BOE-400-PC, RUPA Partner Change Information, in Exhibit 1 of this chapter may be~~ used for this purpose. Completed forms should be retained by the district, section, or branch responsible for the account and included as part of the documentation when a dissociating partner has a liability and an arbitrary number is required for that partner.

~~Also in Exhibit 1 of this chapter there is a sample RUPA log of partnership accounts that can be used by the districts to document partnership changes (this is only a suggestion; it is not a BOE form).~~

In addition to the above, the following steps should be taken, when appropriate:

- The person receiving the call should include his or her name on the information sheet and the date the information was received. *The caller should be asked to send in written confirmation of the information provided to the address of the district, section, or branch responsible for the account to the attention of the District Administrator, section supervisor, or branch supervisor.* If written confirmation is not received within two weeks from the date of contact, a ~~confirming letter~~ BOE-400-AP, SUTD Confirmation Letter Partner Added, should be sent to the ~~caller who provided the information~~ added partner, or a BOE-400-PD, SUTD Confirmation Letter Partner Dropped, should be sent to the dropped partner by the district of control. A first-line supervisor or his/her designee should send the confirmation letter. A copy of this letter should also be sent to the business address in the name of the partnership or business name (DBA). A copy should also be sent to the Taxpayer Records ~~Section~~ Unit (MIC 36) using the Documentum procedures on eBOE, and another copy retained in the district. ~~Exhibit 1 of this chapter has two suggested confirmation letters that may be used: one is for confirming the addition of a partner, Form BOE-400-AP, and the other letter is for confirming the dissociation of a partner from the partnership, Form BOE-400-PD.~~ If more than one partner is being added or dissociated, multiple letters should be sent.
- If the call is received in a district office or in any section directly responsible for the account, the information sheet should be given to the person's immediate supervisor. The supervisor will assign staff to enter the information in the Client Taxpayer System (CTS) in IRIS. ~~on line in the comments section of appropriate screens for the SUTD or the STD accounts. All information on the sheet should be entered. The Difference sub system in IRIS or the A/R screens in STARS should be checked for any unpaid balances on the account. Any difference or A/R information should also be entered, including the reporting periods. If there are no outstanding liabilities on the account, a notation should be entered indicating there is no difference or A/R balance. The supervisor will then ensure that the information sheet is filed and maintained in a centralized location for future reference (most likely, for on line entry into IRIS or STARS when planned RUPA enhancements to these automated systems become operational).~~
- ~~If~~ When notice of a change in partners is received in the ~~Customer and Taxpayer Services Division (CATS) Center~~, or in any other section not directly responsible for the account, the information sheet will be completed as above and forwarded to the district or section responsible for the account, to the attention of the District Administrator or section supervisor ~~in charge~~. This person will then ensure that the ~~above procedures are followed and the information is entered on line, including any A/R data.~~ account is updated in IRIS.

- If, for whatever reason, all the pertinent information cannot be obtained during the initial phone contact, an effort should be made to at least obtain the caller's name, phone number (or address), account number or name of the business, and at least one partner's name. A return phone call to the person should then be made as soon as possible, or the person's name, number and other particulars should be forwarded to the responsible section or district of control for follow-up.
- If information is received in the mail, the correspondence should be forwarded to the district or section responsible for the account for follow-up and processing as described above

ADDING OR DISSOCIATING PARTNERS

301.030

When a partner is added to or dissociates from the partnership, generally the permit will remain open as long as business activity continues. The permit will be closed out only if the partnership agreement specifies dissolution of the partnership when partners are added or dissociated or a majority of the partners elect to dissolve the partnership. In that case the permit will be closed out and a new one issued to the new partnership or other entity. Partner-change information, when obtained, will be recorded and processed as outlined in CPPM 301.020. Confirmation letters will be requested and sent, and copies will be retained in the district and forwarded to Taxpayer Records [Unit \(MIC 36\) using the Documentum procedures on eBOE.](#)

When a partner dissociates from a partnership, the remaining partners have an election to make. They must either elect to buy out the dissociating partner and continue the partnership or dissolve the partnership. If the partnership continues, RUPA requires that the partnership buy out the dissociating partner's interest within 120 days of receiving a written demand for payment. If no agreement can be reached within that time, the partnership is required to pay the dissociating partner cash in the amount the partnership believes to be the buy out price as established by RUPA section 16701(b).

If a partner dissociates from a partnership or is otherwise removed *and* this results in *only one partner remaining*, the original permit should be closed out and a new permit issued for the business. The new permit should be for a sole proprietor or other non-partnership entity, since there cannot be a "partnership" consisting of only one person. By definition, a partnership is an association of *two or more* persons, formed to carry on a business for profit.

~~When a partner is added, the name, address, and other information of the partner will be added to the registration record in the Client Taxpayer System (IRIS and STARS accounts) and comments entered on line as stated in CPPM 301.020. The comments are essential since the Board's automated systems do not yet have the capability to record start dates for new partners. If there is an existing unpaid balance on the account, a memo or e-mail should be sent to the Supervisor of the Special Procedures Section for notification, identifying the account number, name(s) of the new partner(s), and the date each partner was added. Special Procedures will then monitor the account to ensure that no liens or other actions are taken against the new partner(s) for liabilities incurred before joining the partnership. The person entering information on line will enter comments in either the TAR AI registration screen for SUTD accounts, or the SPR AI screen for STD accounts. All information on the sheet and any A/R information should be entered.~~

~~When a partner dissociates, the district or section of control will **not** delete the partner's name from registration. Instead, for SUTD accounts comments will be entered on line as above and the account number, names of the dissociated partner or partners, and copies of the written confirmation and other evidence will be forwarded to the Registration Specialist, Special Projects Team, Program Planning Division (MIC 40). For Special Taxes accounts, the same process will be followed except that the information and confirming documents will be sent to the respective Registration Specialist in the section where the account originated. This is a temporary procedure designed to provide greater control and centralized monitoring of partnership deletions until planned RUPA enhancements to the automated systems become operational. The Registration Specialist will ensure that proper comments have been entered on line and will delete the partner's name from registration *only* if there is no outstanding liability on the account. Otherwise, the partner's name will remain on the on line registration record.~~

Adding a Partner to an Existing Partnership Account

A start date must be entered when a partner is added to an existing partnership or when a new partnership account is established. The partner's start date is the date he or she became a partner in the partnership, which may be different from the start date of the account, and different from the date the Taxpayer Identification Number (TIN) was created. The start date is entered in the "Start Dt" field on the "Maintain Partner Relationship" screen in IRIS.

1. Access the CTS CS screen to search for the partner being added.
2. If the partner has a TIN in IRIS, link the existing partner's TIN to the partnership TIN.
3. If the partner does not have a TIN, create one and link it to the partnership TIN.
4. Enter comments that include the name of the partner added, date the partner was added, and the name of the taxpayer/representative making the request for changes to the account.

Please note that instructions on adding TINs and linking to partnership TINs are available on eBOE under "IRIS Cheat Sheets for Sales & Use Tax & Special Taxes" under the Technology Services tab.

Dissociating (or "Ending") a Partner from a Partnership Account

The date of a partner's dissociation from a partnership must be entered in the "End Dt" field on the "Maintain Partner Relationship" screen in IRIS. The end date is the date the partner dissociates from the partnership and cannot be earlier than the start date. In addition, if the end date and start date entered are the same, this indicates the partner was added in error. It is not necessary to enter end dates for each partner if the partnership account is being closed.

1. Access the CTS CS screen and search by the partnership account number.
2. Place the cursor on the "Sel" field next to the account and press F6 to access the CTS CM screen.
3. Press F10 to display the "Maintain Partner Relationship" screen.
4. Enter "C" (Change) in the "Act" (Action) field and enter the date of dissociation in the "End Dt" and "Legal Dt" fields, and press F5 to update.

5. Enter comments that include the name of the dissociated partner, date the partner was dissociated, and the name of the taxpayer/representative making the request for changes to the account.

~~TABLE OF EXHIBITS~~

~~Documenting Partnership Changes~~ ~~Exhibit 1~~

DOCUMENTING PARTNERSHIP CHANGES

BOE-400-PC (FRONT) (6-01)

STATE OF CALIFORNIA

RUPA PARTNER-CHANGE INFORMATION

BOARD OF EQUALIZATION

For documenting partner change information pursuant to Operations Memo 1089 (RUPA)

Name of person requesting change:	
Telephone number: (-) <small>(STREET, CITY, STATE, ZIP CODE)</small>	Date Notified:
Address:	
Name of Partnership:	Account Number:
Partner Added Date	Partner Dropped * Date

- Comments entered on TAR AI for this account? Yes No ** Send completed information for any partner that has been dropped to: Registration Specialist, Special Projects Team, Program Planning Division (MIC: 40)*
All comments should be printed and attached
- Asked caller to provide written confirmation of these changes?
 Yes No
- Written confirmation must be received within two weeks of the date notified. **Follow up on**

Written confirmation received from partner or person providing information on _____	DATE
Confirming letter sent to partner or person providing information on _____	DATE
Confirming letter sent to Partnership at business address on _____	DATE
Period A/R Balance † Delinquent? Yes/No	
_____ to _____	
_____ to _____	
_____ to _____	
† Supervisor or designee will notify Special Procedures Section of any accounts with an existing A/R balance	

Employee taking the call _____ Date completed and sent to Supervisor _____
 _____ Name _____ Date _____

BOE-400-PC (BACK) (6-01) STATE OF CALIFORNIA

RUPA PARTNER CHANGE INFORMATION

BOARD OF EQUALIZATION

Form completed, including follow up?	Yes	No	
Documentation attached?	Yes	No	
E-mail sent to Special Procedures, MIC:55?	Yes	No	Send E-mail if A/R balance exists
Deleted partners sent to PETS, MIC-40?	Yes	No	
Documentation sent to district of control?	Yes	No	
Comments printed and attached?	Yes	No	
Documentation sent to Taxpayer Records, MIC:36?	Yes	No	Date sent:
Entered in RUPA Log: (see suggested log below)	Yes	No	Date entered:

Comments:

STATE OF CALIFORNIA
STATE BOARD OF EQUALIZATION
(INSERT LOCAL OFFICE ADDRESS)
TELEPHONE (INSERT LOCAL OFFICE PHONENUMBER)
FAX (INSERT LOCAL OFFICE FAX NUMBER)
www.boe.ca.gov

Date

Addressee (name of partner added)
Address (his/her address)

Account Number (SR XX 99-999999)
(Business Name / DBA)

Dear (name of partner added):

This is to confirm [information recently provided to us] that you have joined (insert name of partnership, if known) [or] [the partnership] registered to the above referenced Board of Equalization account, [doing business as] (insert business name or DBA, if there is one), effective (date of addition to partnership). Accordingly, your name has been added to our registration records as an active partner for this account.

[*Note: The next paragraph is optional, depending on whether or not the information was received from a third party and not directly from the partner added.*]

The above information was received from (name of person supplying information), which was provided to us on (date information received). If this information is incorrect, please contact us at (local office phone number).

~~You should notify the Board immediately if you ever dissociate from or leave this partnership, as timely notification could affect your personal liability for any taxes that might be incurred by the partnership business after your separation.~~

Very truly yours,

Authorized Representative Board of Equalization
(insert city), California

cc: ~~(insert partnership name, if known, or business name / DBA, or name(s) under which account is registered.)
(insert business address or address of record.)~~

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

(INSERT LOCAL OFFICE ADDRESS)

TELEPHONE (INSERT LOCAL OFFICE PHONENUMBER)

FAX (INSERT LOCAL OFFICE FAX NUMBER)

www.boe.ca.gov

Date

Addressee (name of partner dropped)

Address (his/her address)

Account Number (SR XX 99-999999)

(Business Name / DBA)

Dear (name of partner dropped):

This is to confirm [information recently provided to us] that you are no longer associated with (insert name of partnership, if known) [or] [the partnership] registered to the above-referenced Board of Equalization account, [doing business as] (insert business name or DBA, if there is one), effective (date of deletion from partnership). Accordingly, your name has been deleted from our registration records as an active partner for this account.

[Note: The next paragraph is optional, depending on whether or not the information was received from a third party and not directly from the partner added.]

The above information was received from (name of person supplying information), which was provided to us on (date information received). If this information is incorrect, please contact us at (local office phone number).

Very truly yours,

Authorized Representative
Board of Equalization
(insert city), California

cc: (insert partnership name, if known, or business name / DBA, or name(s) under which account is registered.)

(insert business address or address of record.)

PARTNERSHIP BILLINGS

724.022

RUPA noticing requirements for billing purposes apply to the *assertion* of liability. These requirements do not apply after a liability has been assessed and has become final. Therefore, the BOE is only obligated to apply RUPA rules for noticing (billing) the partnership and the partners when issuing a *Notice of Determination* or a *Notice of Redetermination*, and for initial billings for tax, penalty, and interest due to receiving a non-remittance or partial remittance return, a dishonored check(s), etc. The BOE has determined, however, that the RUPA noticing rules will be followed for all billings generated by ~~the online system~~ IRIS to partnership accounts. This is because the first 30-day lien warning (required by the Taxpayer's Bill of Rights, RTC section 7097) does not appear in ~~online system~~ generated billings until the demand billing is sent, which occurs substantially after the original *Notice of Determination* (or *Notice of Redetermination*) has become final.

Compliance staff issuing ~~online~~ compliance assessments (CAS) to closed-out partnership accounts shall ensure that the names and addresses of all general partners ~~are input into the online system~~ have been entered in IRIS.

Requesting a RUPA Demand

If the liability of an individual partner of a closed partnership is less than the partnership's overall liability, a RUPA account may be established for the individual partner. This allows BOE to track a partner's liability separately in IRIS so the partner is only held liable for those liabilities incurred while associated with a partnership. The following conditions must exist before a RUPA account may be created for a partner:

- A final liability must exist.
- The partner owes less than the total amount owed by the partnership.
- Collection action was taken against the partnership assets and the liability was not satisfied (see CPPM section 724.023).
- The liability is attributable to the partnership.
 - A partnership must have at least two partners and will dissolve on the date that it ceases to have at least two partners, unless at least one new partner joins the partnership within the following 90 days (Corporations Code sections 16101 and 16801).

Before creating a RUPA account, the collector must:

- Review the partnership account in IRIS and verify each person for whom the RUPA account is being requested has been added and/or dissociated.
- Identify the partner(s) that owe less than the partnership by reviewing each partner's period of association and the period(s) of liability remaining unpaid by the partnership.

Staff must select "RUPA ARB" from the pop-up screen in ~~the online system~~ IRIS to generate a RUPA account. After the account is generated, the collector must identify the RUPA account number by inputting a comment on the primary (partnership) account in ACMS.

After a RUPA account is established, a demand notice should be issued to the partner identifying the specific liability for which the partner is liable. To request a demand notice, staff will prepare a BOE-200-A, *Special Operations Branch Action Request*, in

ACMS. In the section marked "Other Request," the name of each partner for whom a RUPA account was established and for which a demand notice is being requested must be identified. Each partner's RUPA account number, mailing address, and period(s) of liability must be included in the request. The liability period(s) is determined by the partner's "Start Date" through, and including, the partner's "Legal End Date" shown ~~online~~ in IRIS. Staff should attach to the BOE-200-A all documentation such as copies of partnership documents, BOE correspondence (BOE-400-PD), or other material relating to the partner's association/dissociation activity with the business. After supervisory approval, the package should be sent to the Special Operations Branch (SOB). SOB staff will review the request, and if approved, issue a dual billing under the RUPA account. Staff should note the RUPA account number under the primary account, and enter notes in ACMS that include what documentation was included to support the RUPA billing. Once a RUPA account is established in IRIS, staff may need to use the "Manual Account Set Up" process to establish the account in ACMS (instructions are available on eBOE under the "Technology Tab," by selecting the ACMS link and selecting the "Supervisor Functions and Misc" under Cheat Sheets).

Procedures for Issuing Demand on RUPA Account

SOB staff will review each BOE-200-A and the accompanying documentation for accuracy and completeness. SOB staff will calculate the portion of the liability that was incurred while the partner was associated with the partnership. Corrections to the BOE-200-A or questions should be resolved with the requesting district/section/branch in the most practical manner possible (e.g., phone call, email, and fax). If a correction or question cannot be resolved by phone, email or fax, SOB staff may return the BOE-200-A and documentation to the district/unit requestor with an explanation of why the request could not be processed.

After the demand is issued, SOB staff will enter notes in ACMS on the primary account by using the ADD Summary button and selecting RUPA Summary in the Internal Summary drop-down box. Notes will include the partner's name, RUPA account number, the period the partner was associated with the partnership, and the liability amount.

A RUPA account is a secondary account and any payments made by the partnership and applied to the primary (partnership) account will show as an adjustment, and not a payment, on the RUPA account. Payments received from a partner with a RUPA account should be applied to the RUPA account and not to the primary account. Payments applied to the RUPA account will appear as an adjustment on the primary account.

In addition, once the liability under the RUPA account is paid in full, staff may send a request for a partial lien release to SOB for liens filed under that partner's name, if applicable. Similarly, if a lien was filed against a partnership and a partner later provides evidence that he or she was not a partner for the period of liability, staff may send a request to SOB for a partial lien release. See CPPM section 761.070 for procedures to request a partial lien release.

PROCESSING ACCEPTED OFFERS

772.060

The OIC Section will evaluate all OIC requests to determine if they are consistent with statutory requirements and BOE policy. If the offer is formally accepted, the OIC Section will initiate the approval process.

Upon approval of the accepted offer, the OIC Section will apply the offered funds, adjust balances, release liens, remove offsets, and input IRIS/ACMS comments. The OIC Section will send the taxpayer an acceptance letter indicating the periods of liability that have been compromised along with copies of lien release documents and a statement of balance. In addition, a public records notice may be issued if the compromise exceeds \$500.

If the compromise involves a partnership, the partner making the offer is relieved from debt upon acceptance of the offer. Any partner that was not included in the OIC request is responsible for the remaining balance due after the offered funds are applied to the liability. The OIC Section will create an arbitrary account with account prefix "96" by selecting "RUPA Arb" on the "Type of Arbitrary" pop-up screen when creating the account. This allows the partner who has submitted an approved offer to receive a paid-in-full statement without affecting the primary account. OIC staff will enter the No Mail (NM) indicator on the Maintain Partnership screen so the partner will not receive copies of statements mailed to the partnership after the partner's OIC is accepted. OIC staff will make comments in IRIS/ACMS to indicate that a partner's offer has been accepted and will remove that partner from account records. OIC staff will send a request to the BOE-ACMS email group to delete from the primary (partnership) account, the name of the person whose OIC was accepted. However, that partner's name will remain in account history and comments.

**PROCESSING OFFER IN COMPROMISE
FUNDS RECEIVED AT THE DISTRICT OFFICE**

772.090

Funds received as deposits pending acceptance of an OIC will continue to be processed as 2B Deposits. As such, the district office Security Tax Technician will post them to the Security Deposits system in the Security Posting (SEC PO) screen. Form BOE-487, with the words "Offer in Compromise Deposit" hand-written at the top will then be submitted to the district office cashier for processing. The cashier will process the deposit in the same manner as regular security, using the Entity's TIN and the S/D switch. Cashiers must add comments indicating that this is a 2B deposit pursuant to a pending compromise offer.

As an added requirement, if a third-party is posting the deposit on behalf of the taxpayer, the Security Tax Technician must so reflect it in the SEC PO screen and provide the PAYOR's TIN to the cashier. The cashier will enter the TIN in CSH RO on the PAYOR TIN field. This will serve to specifically identify the person making the deposit. The deposit will still be processed using the Entity's TIN and the S/D switch as previously instructed.

Disbursing & Applying Offer In Compromise Funds Upon Acceptance of an Offer in Compromise

When the OIC Section notifies the district offices or headquarters division of the acceptance of an OIC, the Security Tax Technician will initiate the disbursement of the 2B deposit based on current procedures. *However, a separate check for the exact amount of the deposit must be issued.* Payment application information and effective date must be furnished to the cashier by the Security Tax Technician. The payment document furnished to the cashier, which in most cases will be a DIF DA screen print, must have the words "Offer in Compromise Payment" hand-written at the top. The effective date of payment should be the date the funds were presented for deposit.

[If the OIC involves a partnership and the partner making the offer is relieved of the debt, the payment should be applied to the RUPA arbitrary account issued for the partner. Payments applied to the RUPA arbitrary account will appear as an adjustment on the primary account.](#)

OIC funds are not to be processed in the same manner as cashed out security. Upon presentation of the disbursement check by the Security Tax Technician, the cashier will process these remittances by entering CHK in the Remit Type and *will not* enter CSD in the Special Remit field in CSH RO. The cashier will process the remittance using the payment application information and the effective date provided by the Security Tax Technician. The cashier must add comments to indicate that this was a payment from a 2B deposit pursuant to an accepted OIC. The Security Tax Technician must notify the OIC Section that the funds have been applied via telephone at (916) 322-7931 or fax at (916) 322-7940.

Refunds of any OIC deposits must be made promptly after receiving directions to that effect from the OIC Section. The Security Tax Technician must add comments detailing the reason for the refund.

The written request for IS relief or a completed ~~Form~~ BOE-682-A, [Request for Innocent Spouse Relief](#), along with the supporting documents, is sent to the Board of Equalization, Offers in Compromise (OIC) Section (MIC:52), P.O. Box 942879, Sacramento, CA 94279-0052. The non-claiming spouse is notified of the IS request and is given the opportunity to provide documentation to support or counter the claiming spouse’s request.

When the outcome of the claimant’s IS request is determined, both parties will be notified by letter. The letter will explain how relief will affect the liability period(s) and will also address lien issues.

If the claiming spouse receives relief as an Innocent Spouse, [OIC staff will create an arbitrary account with account prefix “96” by selecting “RUPA Arb” on the “Type of Arbitrary” pop-up screen when creating the account. This allows the Innocent Spouse to receive a paid-in-full statement without affecting the primary account. OIC staff will enter the No Mail \(NM\) indicator on the Maintain Partnership screen so the Innocent Spouse will not receive copies of statements mailed to the primary account after the IS Relief is granted. OIC staff will send a request to the BOE-ACMS email group to delete the name of the Innocent Spouse from the primary account.](#)

[The Innocent Spouse](#)~~he or she~~ may be entitled to a full refund of monies collected either voluntarily or involuntarily. However, the claiming spouse’s written request for refund must be submitted within the statute of limitations for claims for refund. Therefore, when making a payment(s) the claiming spouse should be provided with Publication 117, *Filing a Claim for Refund*, and informed to submit a ~~Form~~ BOE-101, *Claim for Refund or Credit*, if applicable.

Please note that this revision only includes the last three paragraphs of section 773.010, since the previous text is not being modified at this time.