



Tax News

October 2021

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AB 466 Unclaimed Property Law

New Questions for Business Entities on 2021 Tax Return

Assembly Bill 466 authorizes Franchise Tax Board (FTB) to share certain information with the State Controller's Office related to unclaimed property. FTB will add the following questions to certain business entity tax returns:

- Has this business entity previously filed an unclaimed property Holder Remit Report with the State Controller's Office? [Yes/No]
 - If "Yes," when was the last report filed? _____
 - Amount last remitted? \$_____

These questions will be added to forms 100, 100S, 100W, 565, and 568. Answers to these questions will have no impact on FTB's return processing. The form instructions will include information regarding these new questions.

For more information and to review form instructions, visit [Forms and publications](#).

Unclaimed Property Notice Reports

The Franchise Tax Board is authorized to share certain information with the State Controller's Office (SCO) to facilitate administration of Unclaimed Property Law. The following article by SCO provides information regarding reporting and resources for businesses that are required to report under the Unclaimed Property Law. If you have any questions about this information, please contact the SCO using the resources provided in this article.

Unclaimed Property Notice Reports due before November 1

[California Unclaimed Property Law](#) requires businesses to review their books and records annually and report any property to the state when there has been no activity for a period of time, generally three years for most properties and one year for payroll. Common types of unclaimed property include uncashed checks, payroll, commissions, customer refunds, and vendor payments.

Businesses are required to submit an unclaimed property Notice Report to the State Controller's Office (SCO) before November 1, 2021 (before May 1, 2022 for life insurance companies). The Notice Report is the first unclaimed property report in [California's two-report process](#). This report consists of two items: a Universal Holder Face Sheet (UFS-1) and a complete list of reportable properties.

Important Notice Report reminders:

- Do not send funds or tangible property with the Notice Report. Property is due the following year with the second unclaimed property report, the Remit Report, which is due June 1-15 (December 1-15 for life insurance companies).

- You may submit your Notice Report, consisting of property owner details (in .hde format) and required forms, via email to updreportupload@sco.ca.gov.
 - Only send your Notice Report once. Do not send your report by both email and physical mail or email your report more than once.
 - Contact us at ucpreporting@sco.ca.gov if you need assistance confidentially transmitting your report.
- Reporting software and standard NAUPA II format guidelines are available from the National Association of Unclaimed Property Administrators ([NAUPA](#)). The software is free for reports containing fewer than 100 properties and will prepare and encrypt your file in the proper format.
- If property owner social security numbers (SSNs) are in your records, they must be provided. Include complete numbers only; SCO will not accept reports with partial SSNs.
- If you are a holder or agent with multiple reports, contact the Reporting Unit at ucpreporting@sco.ca.gov or (916) 464-6284 before submission. Include in your email a spreadsheet with details of all reports.

See the [Notice Report Checklist](#) and [Other Report Types](#) fact sheets for information to help you create an accurate report and ensure timely processing.

For more information, or to request one-on-one assistance with reporting unclaimed property to the state, contact the Outreach and Compliance Unit with the Unclaimed Property Division of the SCO at upholderoutreach@sco.ca.gov.

Pass-Through Entity Elective Tax

Pass-through entity (PTE) for elective tax

In the September edition of Tax News, we provided an article for [Pass-through Entity \(PTE\) Elective Tax](#), which is part of AB 150, commonly referred to as *the SALT cap workaround*.

As follow-up, PTE forms are in the development phase for qualified entities to make their PTE elective tax payments, and for qualified taxpayers to claim the tax credit. Refer to the following for form numbers and dates available:

- Pass-Through Entity Elective Tax Payment Voucher (FTB 3893) – Available November 1, 2021
- Pass-Through Entity Elective Tax Calculation (FTB 3804) – Available January 2022
- Pass-Through Entity Elective Tax Credit (FTB 3804-CR) – Available January 2022

For more information on PTE, visit our website and review [Pass-through entity elective tax](#).

C Corporation Extended Filing Due Date

California's Automatic Extension for C Corporations

The original due date to file California Corporation Franchise or Income Tax Return (Form 100), is the 15th day of the fourth month after the close of the C Corporation's taxable year, which for calendar year corporations is April 15th.

As a reminder, the extended due date to file Form 100, California Corporation Franchise or Income Tax Return, is the 15th day of the 11th month after the close of the C Corporation's taxable year. For C Corporations operating under a calendar year, the 2020 taxable year extended due date is November 15, 2021.

If a C Corporation does not file its return by the extended due date, then the extension does not apply, and any applicable late filing penalties will be calculated from the original due date.

Please note, the seven-month automatic extension to file does not extend the due date to pay the C Corporation's tax liability. For calendar year filers, the C Corporation is required to pay its tax liability by the original due date, which is April 15th.

For more information about C Corporations and other business entity due dates, visit [Business Due Dates](#).

Personal Income Tax Postponement to File Due Date

Personal Income Tax (PIT) Postponement Effect on Extended File Due Date

Taxpayers were granted a postponement to file their 2020 tax year PIT return from April 15, 2021, to May 17, 2021. The postponement is for taxpayers who file form 540, 540 2EZ, or 540NR, and PIT composite returns.

The State of California also (automatically) grants an extension to file a PIT return of six months from the original return filing due date of April 15th.

Therefore, the extension due date to file a 2020 tax year PIT return remains **October 15, 2021**.

Customer Service Dashboard Enhancement

Customer Service Dashboard

In our continuing effort to provide timely and transparent customer service for you and your clients, FTB has made enhancements to our service channels within the [Customer Service Dashboard](#) as of September 22, 2021.

Prior to the enhancements, the Customer Service Dashboard provided wait times for:

- Customer Service Phone Lines
- Tax Practitioner Hotline

- MyFTB Chat
- General Chat
- Processing time frames for payments, refunds, tax returns, and correspondence

So what's new? We added Personal and Business Collections service channels, and modernized the look and feel of the Customer Service Dashboard to improve our customer's abilities to locate the information they need. Our goal is to continue to provide our customers with the tools and resources they need to efficiently resolve their state income tax matters timely while providing 24/7 self-serve options.

The Customer Service Dashboard provides accurate processing time frames, and wait times, for the different contact centers so you know what to expect and can decide which service channel is best suited for your needs.

We encourage taxpayers and tax practitioners to visit the [Enterprise Customer Service Dashboard](#) to learn more.

The new Customer Service Dashboard is not supported by Internet Explorer users. You must use a different browser to view this page.

Call Centers Experiencing High-Call Volumes

Contact Centers and Self-Service Options

To keep our tax practitioners informed and in position to best assist their clients, Franchise Tax Board (FTB) strives to be transparent and mitigate potential issues as quickly as possible. The Golden State Stimulus (GSS) I and II packages have created an exceedingly high number of additional calls for our contact centers which has caused delays in our ability to answer or respond to your calls, chats, and correspondence as quickly as we would like.

To help alleviate these high-call volumes, remind your clients:

- We update our [website](#) regularly to include the most pertinent information available, and offer self-service options where it is likely they can receive the same information an agent would provide.
- Payments can be made with [Web Pay](#).
- Access [MyFTB](#) to view your, or your client's account(s), and even upload documents which may be all that FTB staff is waiting on to move forward with your tax needs.
- We provide the most recent [GSS](#) information available, and an [Estimator](#) tool to determine how much stimulus payment your client may receive, and links to review [how payments will be sent](#), and view [when payments will be sent to customers](#).

The customer service dashboard can be viewed to determine the best time to call. This will provide you a better understanding of how long you may have to wait as well as a better day to

call. Lastly, Mondays, and the day after a holiday, are always very busy for our contact centers, so please plan accordingly.

Be assured, FTB will continue to do our very best to answer your contacts as quickly and efficiently as possible.

Thank you.

Friendly Reminder - New Tax Credits for Employers

Two new tax credits are coming soon! Both credits require taxpayers to get tentative credit reservations in specific timeframes.

Main Street Small Business Tax Credit II

The Main Street Small Business Tax Credit II will be available for the 2021 taxable year. You must get a reservation for this credit from the California Department of Tax and Fee Administration from November 1 through 30, 2021 (or sooner, if the money available for the credit is fully allocated).

For more information, visit:

- [Main Street Small Business Tax Credit II](#)
- [2021 Main Street Small Business Tax Credit II](#) (CDTFA)

Homeless Hiring Tax Credit

The Homeless Hiring Tax Credit will be available to eligible employers, beginning with the 2022 taxable year.

This credit requires:

- Eligible employees be certified as eligible
- The employer must obtain a tentative credit reservation from FTB soon after hiring the eligible employee

For information on this credit, including how to obtain the required certification and tentative credit reservation, visit [Homeless Hiring Tax Credit](#).

Indexing

Announcing the 2021 Tax Year Indexed Amounts for California Taxes

We update the following annually:

- State income tax brackets
- Filing requirement thresholds

- The standard deduction
- Certain credits for inflation (based on the California Consumer Price Index (CCPI))

This year the inflation rate, as measured by the CCPI for all urban consumers from June of 2020 to June of 2021, was 4.4%. Last year, California’s inflation rate that measured 1.4%.

The following are some of the changes:

Filing Status	2020 Amounts	2021 Amounts
Standard deduction for single or married filing separate taxpayers	\$4,601	\$4,803
Standard deduction for joint, surviving spouse, or head of household taxpayers	\$9,202	\$9,606
Personal exemption credit amount for single, separate, and head of household taxpayers	\$124	\$129
Personal exemption credit amount for joint filers or surviving spouses	\$248	\$258
Dependent exemption credit	\$383	\$400
Renter’s Credit is available for single filers with adjusted gross incomes of	\$43,533 or less	\$45,448 or less
Renter’s Credit is available for joint filers with adjusted gross incomes of	\$87,066 or less	\$90,896 or less

The complete 2021 tax rates and exemption amounts will be available on [FTB’s website](#) in late December.

2021 California Tax Rate Tables

Schedule X

Use if your filing status is Single or Married/RDP Filing Separately

If the amount on Form 540, line 19 is:

Over-	But not over-	Enter on Form 540, line 31
\$0	\$9,325	\$0.00 + 1.00% of the amount over \$0
9,325	22,107	93.25 + 2.00% of the amount over 9,325
22,107	34,892	348.89 + 4.00% of the amount over 22,107
34,892	48,435	860.29 + 6.00% of the amount over 34,892
48,435	61,214	1,672.87 + 8.00% of the amount over 48,435
61,214	312,686	2,695.19 + 9.30% of the amount over 61,214

312,686	375,221	26,082.09 + 10.30% of the amount over 312,686
375,221	625,369	32,523.20 + 11.30% of the amount over 375,221
625,369	& OVER	60,789.92 + 12.30% of the amount over 625,369

Schedule Y

Use if your filing status is Married/RDP Filing Jointly or Qualifying Widow(er)

If the amount on Form 540, line 19 is:

Over-	But not over-	Enter on Form 540, line 31
\$0	\$18,650	\$0.00 + 1.00% of the amount over \$0
18,650	44,214	186.50 + 2.00% of the amount over 18,650
44,214	69,784	697.78 + 4.00% of the amount over 44,214
69,784	96,870	1,720.58+ 6.00% of the amount over 69,784
96,870	122,428	3,345.74+ 8.00% of the amount over 96,870
122,428	625,372	5,390.38+ 9.30% of the amount over 122,428
625,372	750,442	52,164.17+ 10.30% of the amount over 625,372
750,442	1,250,738	65,046.38+ 11.30% of the amount over 750,442
1,250,738	& OVER	121,579.83+ 12.30% of the amount over 1,250,738

Schedule Z

Use if your filing status is Head of Household

If the amount on Form 540, line 19 is:

Over-	But not over-	Enter on Form 540, line 31
\$0	\$18,663	\$0.00 + 1.00% of the amount over \$0
18,663	44,217	186.63 + 2.00% of the amount over 18,663
44,217	56,999	697.71 + 4.00% of the amount over 44,217
56,999	70,542	1,208.99 + 6.00% of the amount over 56,999
70,542	83,324	2,021.57 + 8.00% of the amount over 70,542
83,324	425,251	3,044.13 + 9.30% of the amount over 83,324
425,251	510,303	34,843.34 + 10.30% of the amount over 425,251
510,303	850,503	43,603.70 + 11.30% of the amount over 510,303
850,503	& OVER	82,046.30 + 12.30% of the amount over 850,503

Ask the Advocate



Brenda Voet, EA.
Taxpayers' Rights Advocate.
Follow me on Twitter at
twitter.com/FTBAdvocate

It is with bitter sweetness that we say goodbye to our long time Trade Media Specialist, Chris Smith. Though we are happy for his retirement, we are sad to say goodbye to such a valuable public servant.

During Chris' 27 year career with Franchise Tax Board he helped to educate and inform taxpayers and tax professionals about changes in law, common errors and how to correct them, and other important information for how to successfully navigate California's tax filing requirements. He accomplished this as an auditor while acting as our liaison with trade media, and by authoring articles for Tax News, including "Ask the Advocate" segments.

Congratulations to Chris! Our state is grateful to have benefited from his leadership, mentorship, and all the collaborative relationships he fostered.

We also congratulate three new members to our Taxpayers' Rights Advocate team. I am very pleased to announce, Angela Jones is our new Trade Media Liaison, Janie Tran is a new Technical Advisor to the Advocate, and Ann Wilson is our team Supervisor.

Angela Jones, Trade Media Liaison:



Angela joins the team by way of the Individual and Pass-through Entity Audit Bureau. Angela was the subject matter expert (SME) for Native American Taxation. In this role, she worked with the department's Deputy Tribal Liaison to interface with tribal chiefs, and tribal attorneys, to review issues and legislation that could impact FTB and tribal members. She provided further support through the creation of Enrolled Tribal Member Certification Form (FTB 3504), and was an integral member of the team responsible for drafting Legal Ruling 2015-1.

Angela has also worked as a SME for sourcing, residency, and community property audit issues, and provided mentorship for auditors to assist in their development.

Prior to joining Franchise Tax Board, Angela was a Financial and Human Resources Manager for a successful Sacramento based architectural firm.

Janie Tran, Technical Advisor to the Advocate:



Janie has been with Franchise Tax Board for better than 34 years, providing excellent service for the State of California as an Auditor, Technical Lead, Hearing Officer, and as a SME for pass-through entities and personal income and business entity taxes.

Janie served as Franchise Tax Board's liaison to the Board of Equalization Chair where she participated in education and outreach activities in conjunction with her role as the Tax and Policy Advisor for income and sales tax appeals. She also has several years' experience as a project analyst and supervisor, where she led audit discovery projects and a variety of collection and filing enhancement initiatives. In addition to her technical experience, Janie spent six years as an Administrator in the Accounts Receivable Management Division.

Janie is a graduate of Sacramento State University with a Bachelor of Science Degree in Business Administration, with an emphasis in Accounting.

Ann Wilson, Supervisor



Ann has more than 31 years of government experience, including 21 years with Franchise Tax Board. She is a credentialed teacher and loves to motivate and inspire her staff to continuously learn. She is an effective leader who engages people, processes, and programs to streamline and improve business operations. Ann utilized these skillsets when she recently led a team of 22 division representatives to develop division processes to ensure active content is published on the department's intranet.

Ann comes to us by way of the Communication Services Bureau where she has worked since 2007. She strives to identify new and improved processes look to provide excellent customer service and did so in the Publication Business Services, Multimedia, and Reprographics units. She has been actively involved with Franchise Tax Board's Mission and Values Program, Enterprise Coaching and Mentoring Team, Growing Leaders at all Levels, Management Development Program, and Leadership for the Government Manager to broaden her professional growth.

She volunteered for the Management Rotation Program in 2017 where she served a two-year period in Technology Services Division, supervising release managers in the Intake and Release Services Section before returning to CSB in 2019.

Her most recent assignment included serving as the production manager for Franchise Tax Board board meetings and special events where she worked closely with a cross functional team from legal, security, technology, facilities, and upper management to ensure meetings ran smoothly and effectively - especially during the pandemic.

Event Calendar

As part of our education and outreach to the tax professional community, we participate in many different presentations and fairs. We provide a [calendar](#) that shows the events we attend, as well as other events happening with us, such as interested party and board meetings.