



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 * FAX 916 323-8765
www.boe.ca.gov

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Executive Director

No. 2005/043

June 29, 2005

TO COUNTY ASSESSORS:

FRANCHISE TAX RETURNS

This letter supersedes Letter To Assessors 84/02, dated January 4, 1984.

Section 19551 of the Revenue and Taxation Code allows the Franchise Tax Board (FTB) to provide tax officials of this state (which includes assessors) with copies of the state income tax returns of individuals, estates, trusts, partnerships, banks, and corporations.

Section 19551 requires that requests for copies of income tax returns must be made by affidavit (example enclosed) under penalty of perjury. In addition, section 19551 requires that the tax officials (assessors) must provide a copy of the affidavit to the taxpayer/assessee.

Requests for Obtaining State Income or Franchise Tax Return Information

Information furnished pursuant to section 19551 will be provided by FTB only if the request is made in the form of an affidavit executed under penalty of perjury. The request must state that the purpose of the request relates to an investigation of the tax specified in the request and that the information will be used only in the ordinary performance of the applicant's official duties.

Each request should contain the following information where possible.

1. Name – Complete name of individual (and spouse's name where applicable), estate, trust, partnership, or exact corporate name. A dba is not a name.
2. Identifying Number:

Individuals – Social Security Number(s) (check homeowners' exemption files).

Partnerships, Estates, Trusts – FEIN (Federal Employer's Identification Number).

Banks, Corporations – Corporate number issued by the Secretary of State or assigned by the Franchise Tax Board.
3. Taxable years for which the information is requested.
4. Specific information requested.

By policy, the FTB releases tax return information only on a "need-to-know" basis. The complete tax return will not be provided unless it can be shown that the tax official needs all such information. Typically, an assessor would request depreciation schedules, rental income and expense schedules, etc., but have no need to know an individual's wages or list of itemized personal deductions.

The affidavit should be made on official county stationery. If more than one request is being made at the same time, a separate affidavit must be made for each request. The affidavit should be mailed to:

Data Storage and Retrieval Services – RID
P. O. Box 1468
Sacramento, CA 95807

Do **not** include "Franchise Tax Board" on the envelope. If you do, the request may be mixed with incoming tax returns and delayed for several weeks.

For any request of tax return information, a copy of the affidavit request **must** be mailed to the taxpayer at the same time the request is mailed to the FTB.

Safeguarding Information

Personal income or franchise tax information must be safeguarded as follows:

1. Data must be handled and used by a tax employee only on a need-to-know basis. Procedures must be established to ensure that any confidential data commingled with non-tax data is not inadvertently disclosed to non-tax employees or organizations. However, the taxpayer is entitled under section 408, subdivision (d), of the Revenue and Taxation Code to inspect all information relative to his or her assessment. Also, section 19551 of the Revenue and Taxation Code specifically requires that, upon request, information obtained from the FTB shall be made available to the taxpayer.
2. Data must be stored in locked storage devices and/or rooms when not in use.
3. Non-tax employees must not have access to this confidential data.
4. Data must be destroyed after it has served its useful purpose. Destruction must be carried out by shredding or other method that fully protects the confidentiality of the data.

Employees who are authorized access to and use of confidential state tax return information should be informed of the penal provisions of section 19552 of the Revenue and Taxation Code, which provides that any unwarranted use of the information provided, or any unwarranted disclosure of the information by the person or agency obtaining it, is a misdemeanor.

Questions regarding this letter should be directed to Mr. James Anderson at 916-323-5688 or at james.anderson@boe.ca.gov. For details on obtaining copies of returns, call the Disclosure Office (Franchise Tax Board) at 916-845-3226.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:ja
Enclosure

