



2024 **TAXPAYERS'**
2025 **RIGHTS**
ADVOCATE



ANNUAL REPORT

MESSAGE TO DIRECTOR

Ms. Trista Gonzalez, Director
California Department of Tax and Fee Administration

Dear Ms. Gonzalez,

I am pleased to present the *2024-2025 Taxpayers' Rights Advocate's Annual Report*. This report highlights the efforts of the Taxpayers' Rights Advocate (TRA) Office and illustrates how we have assisted taxpayers throughout the year.

With California being the fourth-largest economy in the world and the California Department of Tax and Fee Administration (CDTFA) approaching \$100 billion in revenue, the TRA Office's mission to positively affect the lives of taxpayers is imperative. Through education and clear communication, we help taxpayers successfully navigate California's complex tax laws and remain compliant. Taxpayers consistently express concern about the complexity of the tax and fee laws. In this regard, I would like to thank CDTFA team members for their unwavering cooperation with our office in resolving taxpayer problems and concerns.

The TRA Office remains committed to assisting taxpayers and to ensuring that they are treated fairly during the assessment and collection of taxes.

Respectfully submitted,

Alfred Buck
Taxpayers' Rights Advocate





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RIGHTS
ADVOCATE
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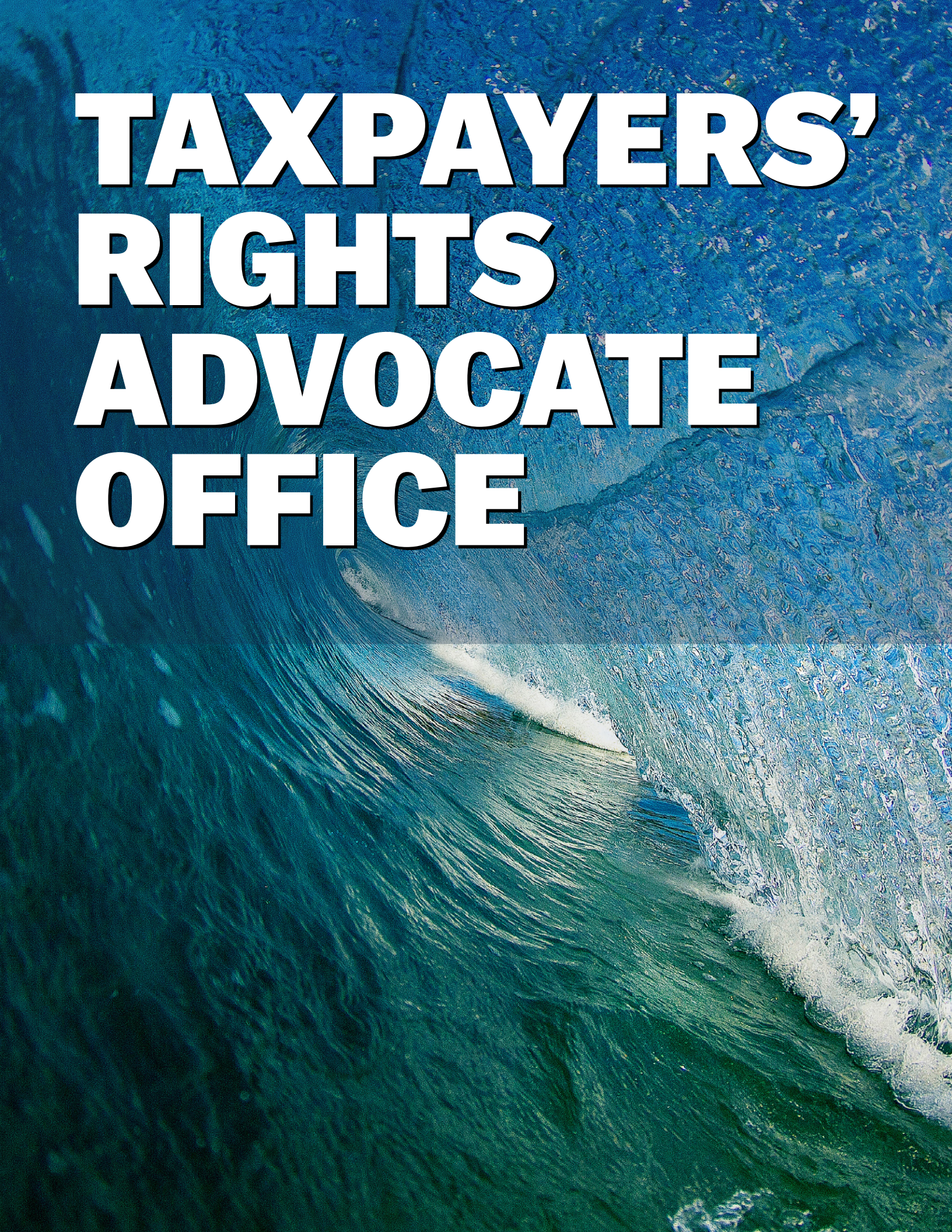


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**TAXPAYERS'
RIGHTS
ADVOCATE
OFFICE**

ABOUT US

VISION

To be a trusted voice of reason and fairness when resolving issues between taxpayers¹ and the government.

MISSION

To positively affect the lives of taxpayers by protecting their rights, privacy, and property during the assessment and collection of taxes and fees.

GOALS

The [Taxpayers' Rights Advocate Office](#) strives to:

- Ensure that taxpayers coming to the Taxpayers' Rights Advocate Office with unresolved issues that have not been resolved through normal channels have their concerns promptly and fairly addressed.
- Identify laws, policies, and procedures that present barriers or undue burdens to taxpayers attempting to comply with the tax laws, to bring those issues to the attention of the California Department of Tax and Fee Administration (CDTFA) management, and to work cooperatively to change laws, policies, and procedures where necessary.
- Meet taxpayer needs by fostering open communication, providing educational resources, and finding creative solutions to unresolved problems.
- Promote CDTFA's commitment to honoring and safeguarding taxpayer rights.

¹ The term "taxpayers" in this publication means payers of sales and use taxes and special taxes and fees.

PROFILE

Taxpayers' Bills of Rights Mandate a Taxpayers' Rights Advocate

In January 1989, the *Harris-Katz California Taxpayers' Bill of Rights* was enacted to safeguard the rights, privacy, and property of California taxpayers during the assessment and collection of sales and use taxes. All holders of seller's permits and consumer use tax accounts, which together include over a million taxpayers, are protected under this law, which requires the appointment of a Taxpayers' Rights Advocate (Advocate).

Effective January 1993, the *Special Taxes Bill of Rights* expanded the existing bill of rights to include the special tax and fee programs administered by CDTFA, which currently affect over 307,000 taxpayers. This publication refers to both bills of rights generally as the Taxpayers' Bill of Rights. In total, CDTFA administers over 40 different programs.

Legal Responsibilities of the Taxpayers' Rights Advocate

The Advocate's responsibilities are specified in law. Consistent with the Taxpayers' Bill of Rights, the Advocate:

- » Facilitates resolution of taxpayer complaints or problems, including complaints regarding unsatisfactory treatment of taxpayers by CDTFA,
- » Monitors all CDTFA-administered tax and fee programs for compliance with the Taxpayers' Bill of Rights and recommends new procedures or revisions to existing policies to ensure taxpayers are treated fairly and equitably,
- » Works with CDTFA to ensure that taxpayer educational materials are clear and accurate, and
- » Conducts Taxpayers' Bill of Rights meetings to allow the public to express their concerns, offer suggestions, and make comments.

How the Taxpayers' Rights Advocate Office Fulfills Its Legal Responsibilities

Facilitates resolution of taxpayer complaints or problems

The TRA Office generally assists taxpayers who:

- » Have been unable to resolve a matter through normal channels,
- » Want information regarding CDTFA procedures,
- » Claim their rights were violated in the assessment or collection of a tax or fee, or
- » Seek confirmation that CDTFA's actions are lawful and consistent with approved policies.

The TRA Office assists taxpayers and CDTFA by facilitating better communication between both parties, which helps eliminate potential misunderstandings. Taxpayers receive information on policies and procedures to better prepare them for discussing their issues with CDTFA.

On rare occasions, a taxpayer lodges a complaint about discrimination or inappropriate interactions. The TRA Office works with appropriate CDTFA management to resolve these complaints. Discrimination, harassment, or wrongful behavior of any kind toward taxpayers or CDTFA team members is not tolerated and is immediately addressed by management.

The Advocate oversees the Tax Appeals Assistance Program, which allows taxpayers who meet certain criteria and have filed an appeal with CDTFA to seek free legal assistance. For more information, see the [Tax Appeals Assistance Program](#) section.

Monitors programs, and recommends policy or procedural changes

In cases where law, policy or procedure mandates a CDTFA team member's actions, but where a change appears warranted, the TRA Office works to clarify or modify that law, policy, or procedure. Taxpayer suggestions often lead to policy and procedural changes, enhancements to training materials, and proposals for legislative change.

The TRA Office routinely brings the taxpayer's perspective to all areas of CDTFA. We contribute to policy discussions and interested parties meetings, meet regularly with senior management to discuss specific policies, and participate in work groups tasked with changing policies and procedures.

Ensures laws, information, and guidance are easy to understand

The TRA Office suggests ideas for new legislation and joins task forces and committees responsible for revising procedures and regulations. Additionally, we routinely review proposed revisions to taxpayer educational materials to ensure they are easy to understand.

Conducts Taxpayers' Bill of Rights Meetings

At annual Taxpayers' Bill of Rights meetings, the TRA Office invites the public to present ideas, discuss issues, express concerns, and share recommendations regarding legislation and other items related to CDTFA's administration of tax and fee programs. The TRA Office then works with the appropriate program areas to address the issues and concerns taxpayers conveyed.

Collaborates with Taxpayer Advocates in other Government Agencies

CDTFA's Advocate meets with taxpayer advocates from the Franchise Tax Board ([FTB](#)), the California State Board of Equalization ([BOE](#)), the Employment Development Department ([EDD](#)), and the Internal Revenue Service ([IRS](#)), as well as with the Small Business Advocate in the Governor's Office of Business and Economic Development ([GO-Biz](#)) and the Ombudsperson from the Office of Tax Appeals ([OTA](#)). The group discusses common problems and systemic issues facing California taxpayers and coordinates outreach to community groups.

Implements the Taxpayers' Bill of Rights

CDTFA assesses and collects business taxes (sales and use taxes and special taxes and fees). The Advocate reports directly to CDTFA's Director and is independent of CDTFA's tax program administration. When the TRA Office receives complaints relating to CDTFA's business tax programs, the office directly accesses all pertinent CDTFA information and communicates with CDTFA team members involved with the taxpayers' issues.

The TRA Office sometimes acts as a liaison between taxpayers and CDTFA team members to resolve these issues. If the Advocate disagrees with a team member's actions and is unable to resolve the situation with program management, the Advocate may ask the Director to intervene. In addition, the Taxpayers' Bill of Rights authorizes the Advocate to take certain actions to protect taxpayers from irreparable harm, such as issuing a stay of collection action, releasing a levy, or ordering the return of levied funds. The Advocate may also release or subordinate a lien when that action will facilitate the collection of the tax liability or will be in the best interest of the State and the taxpayer. The [Business Taxes Issues](#) section contains examples of how taxpayers' complaints have been resolved.



PUBLIC OUTREACH

CDTFA informs the public about the [TRA Office](#) services through publications, websites, and public events.

Publications with Taxpayers' Rights Advocate's Office Information

- » [Publication 70](#), *Understanding Your Rights as a California Taxpayer*, contains information about specific taxpayer rights under the law and the Advocate's role in protecting them. It is available at all CDTFA offices and on CDTFA's website at www.cdtfa.ca.gov.
- » [Publication 468](#), *California Taxpayers' Bills of Rights Statutes*, contains all Taxpayers' Bill of Rights statutes CDTFA administers and is available on CDTFA's website.
- » [Publication 215](#), *Tax Appeals Assistance Program*, explains to prospective clients the help available from the Tax Appeals Assistance Program, which the Advocate oversees (see the [Tax Appeals Assistance Program](#) section of this report) and is available on CDTFA's website.
- » [Publication 145](#), *California Taxpayer Advocates (CDTFA, BOE, EDD, FTB, IRS, GO-Biz, and OTA)*, is posted on participating state agency websites and the California Tax Service Center website at www.taxes.ca.gov.
- » CDTFA publishes articles each year in CDTFA newsletters, reminding taxpayers about their rights and referencing publication 70.
- » The end of this *Annual Report* contains contact information for key [TRA Office team members](#).

Internet and Telephone

- » The California Tax Service Center website, www.taxes.ca.gov, contains links to all California Taxpayer Advocates' webpages and publication 145, *California Taxpayer Advocates*, via the *Your Rights* option under the *Contact Us* tab.
- » The TRA Office's webpage, www.cdtfa.ca.gov/tra, can be accessed from any page of CDTFA's website. The webpage provides our contact information and a means for taxpayers to communicate with the TRA Office directly via email.
- » CDTFA field office telephone lines, publications, and permits and licenses reference the TRA Office's toll-free number, 1.888.324.2798.

Public Events

The TRA Office informs the public about its services through these types of events:

- » CDTFA-sponsored events: the Advocate, or designee, attends small business and nonprofit fairs and seminars throughout the state and provides contact information incorporated in the presentation.
- » Non-CDTFA-sponsored events: the Advocate presents at conventions, fairs, and conferences designed to assist California business owners; Associated industry and business groups, such as the IRS Nationwide Tax Forum, the annual California Lawyers Association's Tax Policy Conference, and the California Small Business Day in Sacramento, sponsor these events.

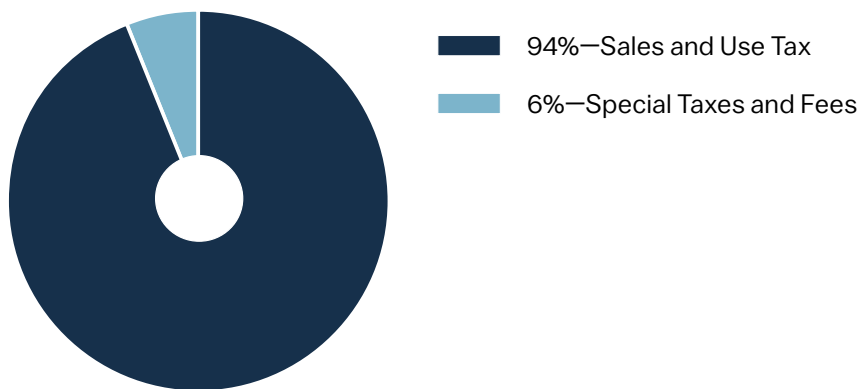
FISCAL YEAR 2024-25

By the numbers

Cases

The TRA Office recorded 540 new business taxes cases in fiscal year 2024-25. Of the 540 cases, 509, or 94 percent, were related to sales and use tax issues, while the other 31, or six percent, were related to special tax and fee issues.

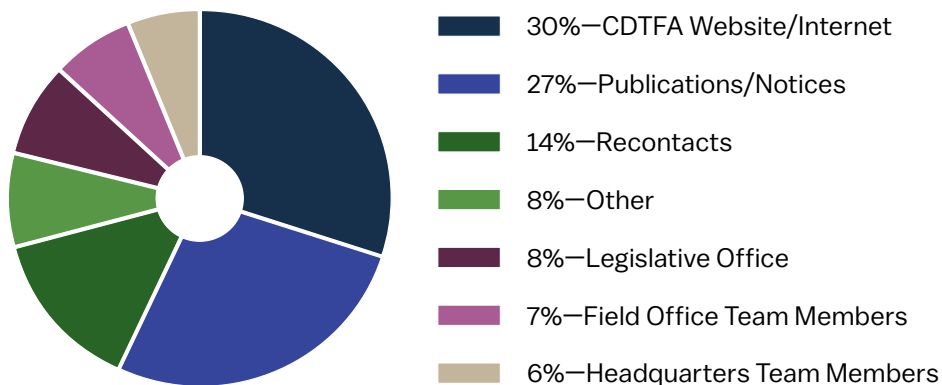
Percentage of Cases by Tax/Fee Program



Referrals

To gauge the effectiveness of its outreach efforts and to improve public service, the TRA Office tracks how taxpayers learn about the office. In fiscal year 2024-25, most taxpayers learned about the TRA Office through CDTFA's website and CDTFA publications and notices.² The graph below shows the breakdown of how taxpayers learned about our office.

How Taxpayers Discovered the TRA Office in FY 2024-25



² The "Other" category consists of various types of sources, each comprising less than two percent of the total, including referrals from other agencies, the taxpayers' representatives, and outreach events.

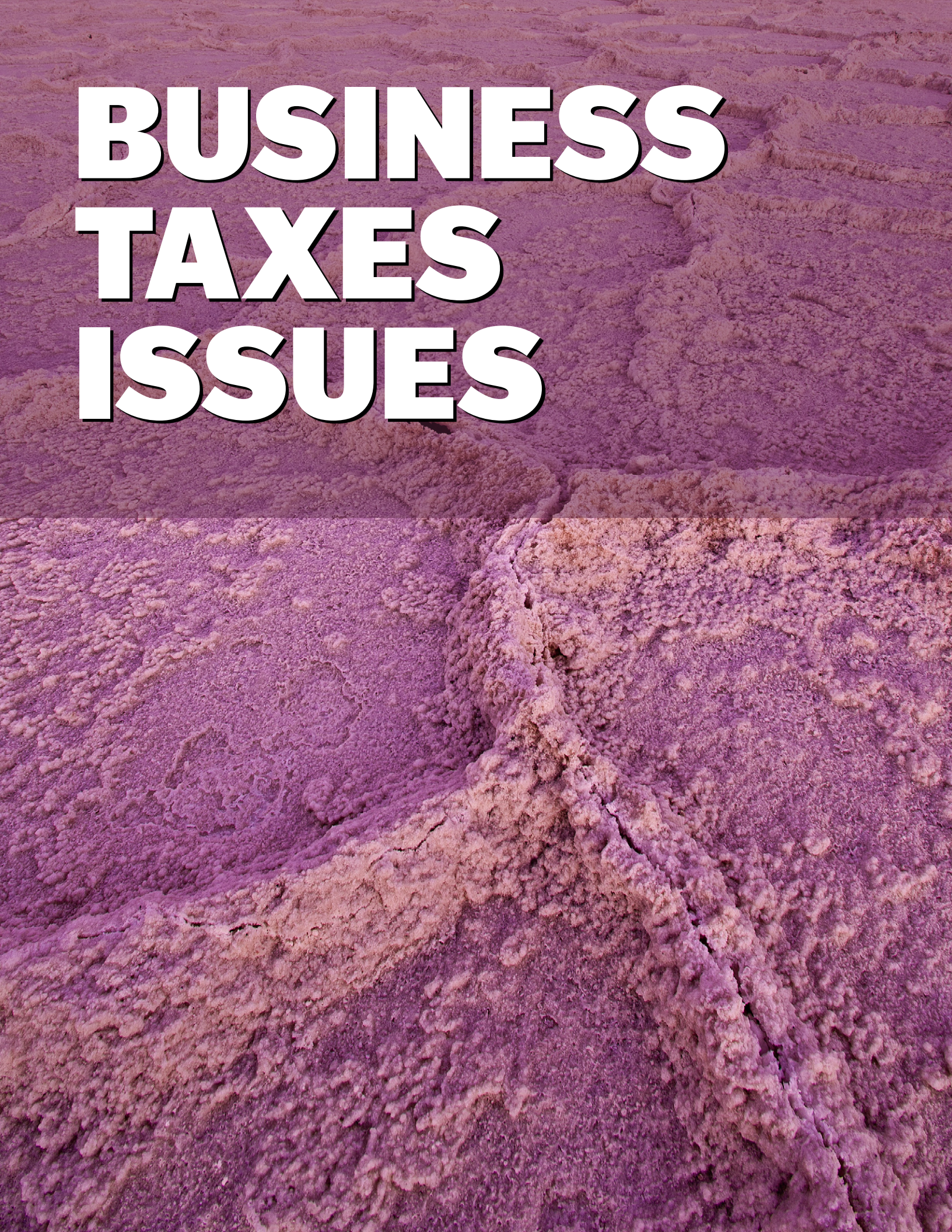
Telephone Calls

During fiscal year 2024-25, the TRA Office received approximately 2,886 calls, averaging about 241 calls per month, and approximately 14 percent of these calls resulted in new cases. Since the TRA Office's toll-free telephone number is widely available, the TRA Office receives many calls from taxpayers and others who seek general information about tax programs or the application of tax laws, including individuals who have not yet attempted to resolve their concerns with CDTFA through normal channels.

The TRA Office assists all callers, including those seeking information from other state agencies, and directs them to the appropriate department, CDTFA section, or individual as needed. The TRA Office also provides information on resources, such as the CDTFA website.



BUSINESS TAXES ISSUES

The background of the image is an aerial photograph of a dry, cracked desert landscape. The terrain is characterized by deep, irregular fissures and a textured surface of sand and silt. The color palette is a mix of earthy tones, including shades of purple, magenta, and orange, suggesting a sunset or sunrise over the arid region. The overall mood is one of desolation and harshness.

CASE RESOLUTION

The primary goal of the TRA Office is to ensure that CDTFA promptly and fairly addresses taxpayer concerns.

The TRA Office's cases involve businesses and individuals liable for business taxes.

As illustrated below, the Advocate and TRA Office team members apply their extensive knowledge of CDTFA programs, policies, and procedures to advise taxpayers of their rights and obligations. They explain the tax law and CDTFA policies, seeking creative and appropriate solutions acceptable to both taxpayers and CDTFA.

Business Taxes Case Statistics

During fiscal year 2024-25, the TRA Office recorded 540 new business taxes cases.

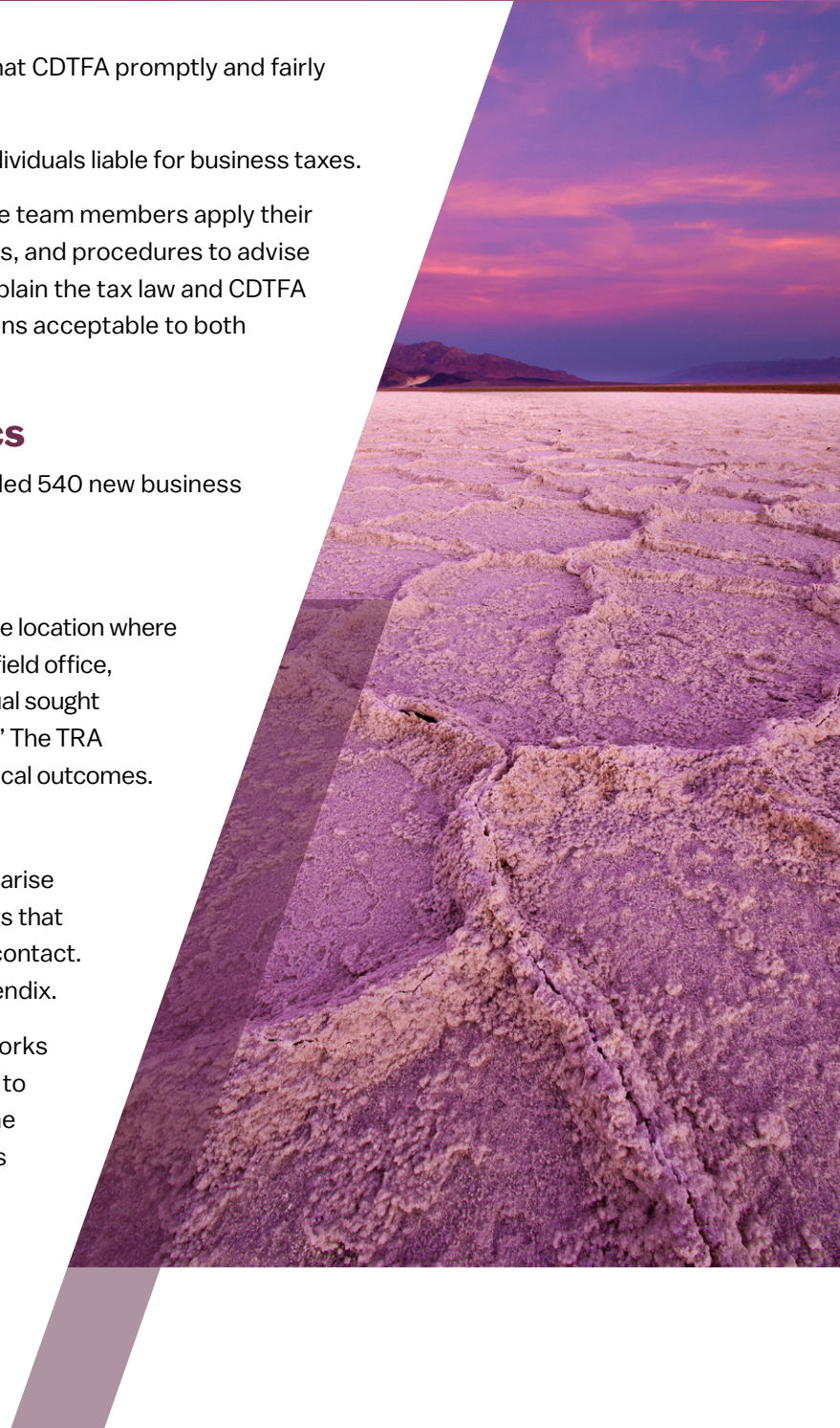
Outcome of Business Taxes Cases

[Appendix 1](#) categorizes business taxes cases by the location where the taxpayer's matter originated, such as a CDTFA field office, division, or other government agency. If the individual sought general information, the location is listed as "Other." The TRA Office tracked a broad range of cases and their critical outcomes.

Most Common Issues

[Appendix 2](#) details the most common issues that arise from contacts with the TRA Office. The data shows that taxpayers often cite multiple reasons for a single contact. The most common issues are included in the appendix.

Customer Service Concerns. The TRA Office works collaboratively with other CDTFA team members to prioritize customer service. It closely monitors the number and type of customer service complaints in accordance with the Taxpayers' Bill of Rights. Accordingly, the TRA Office requests the field office administrator or headquarters section manager to investigate customer service complaints and inform the TRA Office of their findings.



If the TRA Office notes a trend or pattern regarding the type or number of complaints in a specific CDTFA office, the TRA Office brings the matter to the attention of the Deputy Director of the Field Operations Division or the Business Tax and Fee Division, as applicable.

Customer service complaints are categorized as:

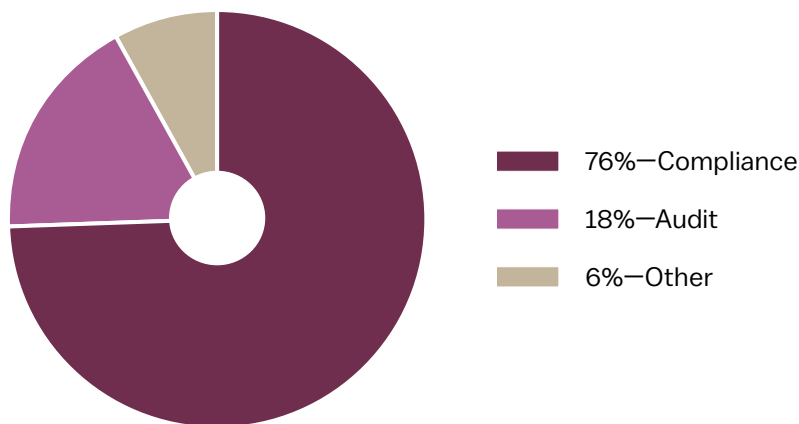
- » *Lack of communication*: not acknowledging a taxpayer's concerns, not referring the taxpayer to a supervisor when requested, and not answering specific taxpayer questions,
- » *CDTFA delay*: slow response to an inquiry or a delay in issuing a refund or resolving the taxpayer's case,
- » *CDTFA team member courtesy*: showing disrespect to a taxpayer, indicated by the team member's demeanor, comments, or the way they handled a specific situation,
- » *Lack of training*: not providing information or providing inadequate information regarding tax law, CDTFA policies and procedures, or training.

Out of the 540 cases we reviewed, 57, or approximately 11 percent, included customer service-related concerns. These figures are based on taxpayers' statements and may not reflect all relevant facts. Please see [Appendices 1 and 2](#) for more information.

Taxpayer inquiries cover a wide range of issues

Types of Cases. Business taxes cases are sorted broadly into "compliance," "audit," or "other" categories. The "other" category represents customer complaints, general information requests, and matters involving other government agencies.

Types of Cases



Specific Issues Leading to TRA Office Contacts. Each case may contain a variety of issues that prompt the taxpayer to contact the TRA Office. Many of the business taxes cases demonstrate the need for general information and guidance. Taxpayers often seek information on a procedure or process, or whether CDTFA's action was necessary and complied with the law and CDTFA policy.

Examples of Business Taxes Cases

The following cases illustrate how the TRA Office offers a fresh look at taxpayers' issues and attempts to resolve them collaboratively with CDTFA's team members.

Dual Determination Assessment Reversed

Issue. A tax representative reached out to the TRA Office for help with an unresolved appeal that was pending for over a year. His client was held personally liable under Revenue and Taxation Code (RTC) [section 6829](#) after the business she helped manage closed with unpaid sales tax.

Background. Under RTC section 6829, individuals may be held personally liable for a business's unpaid sales and use taxes if they are deemed a "responsible person." This includes officers, managers, employees, directors, shareholders, partners, or other person having control or supervision of, or who is charged with the responsibility for, the filing of returns or the payment of tax or who has a duty to act for the corporation, partnership, limited partnership, limited liability partnership, or limited liability company in complying with any provision of the sales and use tax as outlined in [Regulation 1702.5](#).

A Notice of Determination (NOD) under RTC section 6829 must be issued within three years after the last day of the calendar month following the quarterly period in which the Department obtains actual knowledge, through its audit or compliance activities, or by written communication by the entity or its representative, of the termination, dissolution, or abandonment of the entity's business activities.

Resolution. The TRA advisor reviewed the account to verify whether all the elements required to hold a person personally liable under RTC section 6829 were met. During the review, the advisor found CDTFA was notified of the business closure on August 13, 2019, which means an NOD under RTC section 6829 would therefore have to be issued on or before October 31, 2022. However, an NOD wasn't mailed until March 21, 2023, well after the statute of limitations expired. Once the Appeals Bureau was informed of the expired statute of limitations, the liability was canceled.

Summary. Although the initial inquiry to the TRA Office was a routine request for information during a prolonged appeals process, the subsequent review of the account identified that the NOD was issued beyond the applicable statute of limitations. This finding caused the determination to be reversed, allowing the taxpayer to avoid additional unnecessary fees for representation.

Removal of Erroneous Assessment

Issue. A taxpayer contacted the TRA Office disputing an estimated sales tax liability linked to a vehicle sale reported under his DMV dealer's license number. The taxpayer asserted that he never sold any vehicles while his dealer license and seller's permit were active.

Background. CDTFA regularly receives information from the DMV, including Reports of Sale and other vehicle transfer information. RTC [section 6275](#) provides that the person holding the dealer's license is the retailer and must therefore remit sales tax on vehicle sales made using their dealer's license. Under RTC [section 7081](#), a taxpayer should only be liable for the correct amount of tax.

Resolution. The TRA advisor coordinated with the relevant field office to investigate the taxpayer's claim. After reviewing transaction records and conducting detailed research, the field office discovered a key error—the name listed for the dealer's license number in the DMV information received did not match the taxpayer's name. Further research found that this was the result of transposed numbers in the dealer license number.

This clerical mistake linked the vehicle sale to the wrong taxpayer's account. Once the field office confirmed the error, the TRA advisor worked with CDTFA team members to correct the account record and remove the inaccurate assessment.

Summary. The TRA Office, with the diligent assistance of the field office, thoroughly investigated the taxpayer's concern, identified the reporting error, and CDTFA ultimately reduced the estimated sales tax liability to zero.

Facilitating Refund to Customer

Issue. A person who did not hold a CDTFA seller's permit purchased a vehicle with financial assistance from the U.S. Department of Veterans Affairs (VA). The retailer received half the vehicle's total selling price directly from the VA and the remaining half from the customer. However, the retailer mistakenly charged the customer sales tax on the full selling price rather than the portion paid by the customer.

Background. Veterans with service-connected disabilities may qualify for VA financial assistance toward vehicle purchases. The VA pays its approved portion directly to the seller, while the veteran pays the remaining balance. Only the veteran's portion is subject to sales or use tax. The VA's contribution is considered a sale to the U.S. government and is exempt from sales tax.

When a consumer pays excess tax to a retailer, their refund must be requested directly from the retailer. CDTFA cannot issue a sales tax refund to the customer and does not have the authority to compel the retailer to issue a refund. However, a retailer with a valid seller's permit may file a claim for refund with CDTFA for excess tax collected, provided they reimburse the customer and amend their return to reflect the corrected transaction.

Resolution. The TRA advisor worked with the retailer to obtain a refund on behalf of the customer. After initial outreach to the retailer's return preparer went unanswered, the advisor contacted the dealership's management team to explain the applicable tax laws and request that the refund be issued.

The advisor then discussed the matter with the dealership's tax specialists and explained why the customer was entitled to a refund. Once the retailer understood the tax law, the retailer agreed to issue the refund to their customer. The advisor continued to assist the retailer by providing step-by-step instructions on how to amend the sales and use tax return and file a claim for refund with CDTFA.

Summary. The TRA advisor's persistent efforts and clear guidance helped the customer obtain a refund without resorting to costly and time-consuming legal action.

Reduction of Audit Liability

Issue. A taxpayer's representative requested assistance with an audit of a cell phone retailer completed in 2011. The taxpayer struggled for years to resolve the liability, which was based on estimated figures due to their missing records. The business had used outdated recordkeeping systems, many documents were lost or destroyed, and key suppliers had gone out of business, leaving the taxpayer unable to successfully challenge the audit findings and support their contentions during the appeals process.

Background. During an audit, taxpayers must provide complete records to support reported sales and claimed exemptions. If records are missing, CDTFA establishes a reasonable tax measure using available data. For telecommunications products not sold in bundles, Regulation 1585 allows CDTFA to estimate retail prices using the cost of the device plus a markup of at least 18 percent. Once CDTFA makes that estimate, the burden shifts to the taxpayer to provide evidence to refute it.

Resolution. The TRA advisor reviewed the original audit and found it was based on gross sales reported on the taxpayer's 2008 income tax return. CDTFA applied a taxable percentage based on similar businesses, calculated an error rate, and extended that estimate to 2009 and 2010.

However, the TRA advisor discovered that the 2008 income tax return was amended, and the representative provided documentation to support the change. Working together, they reconstructed general ledgers using cancelled checks from known distributors to establish purchases of phones and accessories. Absent sales records, the advisor applied an 18 percent markup to the cost of goods to estimate retail prices, consistent with [Regulation 1585](#).

The TRA advisor then collaborated with auditors from the Field Operations Division, who agreed that the original audit was overstated. A reaudit was authorized, and the TRA advisor worked closely with the local field auditor to adjust the audit and helped the taxpayer secure a manageable payment agreement.

Summary. The TRA office assisted the taxpayer by thoroughly reviewing the original audit, advising which records to provide, and proposing revised findings to the audit team. As a result, the taxpayer's audit liability was significantly reduced.

Reduced Tax Assessment

Issue. A taxpayer contacted TRA because he disputed the use tax assessment issued for the purchase of a sailboat. CDTFA assigned the vessel a value of \$127,000, resulting in a tax liability over \$12,000, which grew to \$14,000 due to interest accrual. The purchaser disclosed he paid only \$4,500 for the vessel, but could no longer support his claim with a bill of sale.

Background. When CDTFA discovers underreporting on the purchase price of vehicles, vessels, or aircraft, it issues a billing for the use tax due based on documentation, such as a bill of sale or the assessed market value as determined by a local assessor. If a taxpayer disagrees with the billed amount, CDTFA may correct the determination if adequate supporting documentation is provided.

Resolution. The TRA advisor advised the taxpayer on how to support his contentions. With TRA's support, he contacted the county assessor's office, which provided more accurate valuation data for the vessel. The taxpayer submitted this information to CDTFA, and it was accepted as a basis for reassessment.

Although TRA could not fully substantiate the taxpayer's claim that they purchased the vessel for \$4,500, the revised valuation was significantly lower than the original estimate, and the tax liability was reduced accordingly. However, a portion of the original bill was already paid through a Franchise Tax Board intercept, resulting in an overpayment that led CDTFA to issue a partial refund.

Summary. This case illustrates the TRA Office's commitment to procedural fairness and taxpayer advocacy. Even without ideal documentation, TRA helped the taxpayer pursue a reassessment that aligned more closely with the correct amount of tax due, resulting in a reduced liability and a partial refund.

Release of Levy and Billing Adjustment

Issue. A taxpayer contacted the TRA Office after CDTFA placed a levy on her bank account, causing financial hardship. She also disputed personal liability for a corporate sales tax debt.

Background. Under RTC [section 7094](#) and equivalent Special Taxes and Fees statutes, the Taxpayers' Rights Advocate may order the release of a levy or notice to withhold or order the return of levied funds up to \$2,300 received within the last 90 days, upon finding that the levy or notice to withhold threatens

the health or welfare of the taxpayer or their spouse and dependents or family. Early resolution is key to minimizing hardship. The field office responsible for the account has the authority to determine if a hardship exists or will occur, and if so, every effort should be made to quickly release all or part of the levied property.

Under RTC [section 6829\(b\)](#), personal liability for corporate tax debt applies only to periods when an individual had control, supervision, responsibility, or duty to act for the entity. The taxpayer's liability stemmed from a dual determination issued under RTC section 6829, covering the first quarter of 2018 through the second quarter of 2019, totaling \$52,000. CDTFA's Compliance Policy and Procedures Manual (CPPM) [section 764.140](#) further clarifies that if a person becomes a responsible person mid-reporting period, the liability must be prorated accordingly.

Resolution. The TRA advisor referred the case to the local CDTFA field office to conduct a hardship hearing. During the hearing, the field office reviewed the taxpayer's financial records and determined she was experiencing financial hardship. As a result, the levy was released.

Separately, the TRA advisor investigated the taxpayer's claim that she should not be personally liable for the corporation's sales and use tax liabilities. A review of CDTFA records revealed that the taxpayer disclosed to a CDTFA office in June 2018 that she had become the CEO and owner of the corporation. Prior to that date, her involvement was limited to legal representation and not sales tax matters.

Supporting documentation confirmed that she assumed control of the business in June 2018. Based on this information, the TRA advisor worked with the field office to adjust the billing and remove liability for periods prior to her involvement. This correction reduced the taxpayer's liability substantially and ensured she was only held liable for the periods during which she had control of the business.

Summary. The TRA Office applied its expertise in the Sales and Use Tax Law and CDTFA policy to resolve the taxpayer's concerns fairly and efficiently. Through careful investigation and collaboration with field office team members, the TRA advisor helped secure both the release of a levy and a significant reduction in the assessed liability.





TAX APPEALS ASSISTANCE PROGRAM

The Taxpayers' Rights Advocate created the Tax Appeals Assistance Program ([TAAP](#)) to allow low-income and underrepresented taxpayers who have filed an appeal with CDTFA to seek free legal assistance. TAAP assists taxpayers through CDTFA's appeals process. Supervised by CDTFA tax attorneys, law students advise qualifying individuals and businesses who have filed appeals under \$50,000. The students research, draft appeal briefs, and handle questions on the taxpayer's behalf. TAAP assists taxpayers whose appeals address CDTFA billings for specific issues within one of the following programs:

- » Cigarette Internet Purchases
- » Civil Violations of California Cigarette/Tobacco Products Licensing Act
- » Consumer Use Tax
- » International Fuel Tax Agreement (IFTA)
- » Dual Determinations
- » Environmental Fee
- » Generator Fee
- » Sales and Use Tax Audits
- » Successor liability
- » Underground Storage Tank Fee

TAAP works with several law schools in California, including Loyola Law School, Los Angeles; University of California, Irvine School of Law; and University of San Diego School of Law. TAAP is well-received by law schools and the program's clients. The Advocate will continue to coordinate TAAP cases with both the Appeals Bureau and the Business Tax and Fee Division.

Case Resolution

During fiscal year 2024-25, 282 individuals and businesses were informed about the program, 53 new cases were accepted, and 31 cases were resolved. This year's completed cases have fulfilled the purposes of the program, which are to:

- » Provide effective representation to taxpayers who may not afford to pay for legal or tax help, or have tax appeal cases that do not economically justify hiring representation,
- » Resolve cases to achieve the program objectives of educating and assisting taxpayers in voluntarily complying with California's tax laws while minimizing their tax compliance burden,
- » Enhance the preparation and quality of the appeals going to the Office of Tax Appeals ([OTA](#)), and
- » Promote and achieve more efficient and cost-effective resolution of taxpayer appeals.

APPENDICES



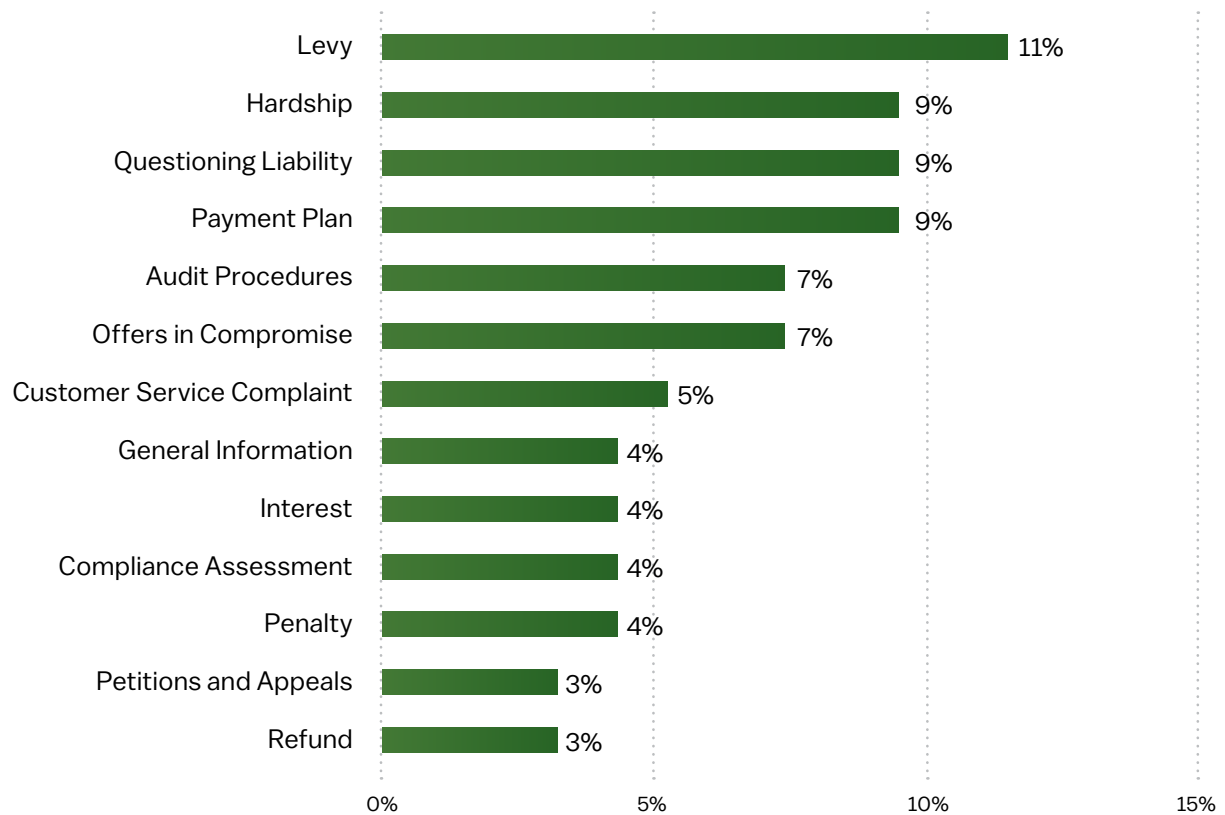
Appendix 1—Outcome of Business Taxes Cases

| Location | Audit | Compliance | Other | Total Cases | Customer Service Complaint | Case Handling Changed ¹ |
|---|-----------|------------|-----------|-------------|----------------------------|------------------------------------|
| Appeals and Data Analysis Branch | 1 | 1 | 0 | 2 | 1 | 0 |
| Appeals Bureau | 6 | 0 | 0 | 6 | 1 | 0 |
| Audit Determination and Refund Section | 0 | 1 | 1 | 2 | 0 | 0 |
| Audit Examination Branch | 7 | 0 | 0 | 7 | 0 | 0 |
| Bakersfield Branch | 3 | 6 | 0 | 9 | 1 | 0 |
| Cerritos Office | 8 | 33 | 0 | 41 | 1 | 2 |
| Compliance Branch | 0 | 20 | 2 | 23 | 2 | 0 |
| Consumer Use Tax Section | 0 | 19 | 2 | 21 | 2 | 5 |
| Culver City Office | 6 | 11 | 1 | 18 | 0 | 0 |
| Diamond Bar Office | 8 | 26 | 1 | 35 | 5 | 2 |
| El Centro Branch | 0 | 1 | 0 | 1 | 1 | 1 |
| Fairfield Branch | 0 | 6 | 0 | 8 | 0 | 0 |
| Fresno Office | 0 | 3 | 3 | 6 | 0 | 1 |
| Glendale Office | 6 | 33 | 3 | 42 | 3 | 0 |
| Irvine Office | 5 | 19 | 1 | 25 | 2 | 0 |
| Motor Carrier Office | 0 | 2 | 0 | 2 | 0 | 0 |
| Oakland Office | 6 | 13 | 0 | 19 | 0 | 0 |
| Offers in Compromise Section | 0 | 27 | 0 | 27 | 3 | 2 |
| Other ² | 2 | 9 | 7 | 18 | 9 | 0 |
| Out-of-State Offices | 1 | 12 | 1 | 14 | 2 | 0 |
| Rancho Mirage Branch | 2 | 4 | 0 | 6 | 1 | 0 |
| Redding Branch | 0 | 3 | 0 | 3 | 0 | 0 |
| Registration and Return Processing Branch | 0 | 0 | 3 | 3 | 0 | 0 |
| Return Analysis and Allocation Section | 0 | 4 | 0 | 4 | 1 | 0 |
| Riverside Office | 9 | 43 | 0 | 52 | 5 | 4 |
| Sacramento Office | 10 | 31 | 3 | 44 | 6 | 1 |
| Salinas Branch | 0 | 6 | 0 | 6 | 0 | 0 |
| San Diego Office | 1 | 14 | 2 | 17 | 1 | 0 |
| San Francisco Office | 5 | 11 | 0 | 16 | 2 | 0 |
| San Jose Office | 2 | 17 | 0 | 19 | 3 | 0 |
| Santa Ana Office | 1 | 1 | 0 | 2 | 1 | 1 |
| Santa Rosa Office | 0 | 6 | 0 | 6 | 1 | 0 |
| Statewide Compliance Outreach Program | 0 | 1 | 0 | 1 | 1 | 1 |
| Tax Inspections Bureau | 0 | 1 | 0 | 1 | 0 | 0 |
| Tax Investigations Bureau | 0 | 4 | 0 | 4 | 0 | 0 |
| Tax Policy Bureau | 0 | 1 | 0 | 1 | 0 | 0 |
| Unknown | 4 | 2 | 3 | 9 | 0 | 0 |
| Use Tax Collections Bureau | 0 | 6 | 2 | 8 | 1 | 2 |
| Ventura Office | 4 | 8 | 0 | 12 | 0 | 0 |
| Total | 98 | 410 | 32 | 540 | 57 | 28 |

1 The TRA Office helped change the outcome of a case. See the [Business Taxes Issues](#) section for additional information.

2 The category of “Other” under “Location” includes cases that have no office of origin—for example, contacts from the public asking questions about how tax applies or requesting general information, or cases where the office was not disclosed.

Appendix 2—Most Common Issues





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