



CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

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EDMUND G. BROWN JR.  
Governor

MARYBEL BATJER  
Secretary, Government Operations Agency

NICOLAS MADUROS  
Director

November 2, 2017

VIA INTERNET

Dear Interested Party:

The Compliance Policy and Procedures Manual (CPPM) is a guide for the California Department of Tax and Fee Administration (CDTFA) staff in administering tax and fee programs. It is available to the public and can be accessed from the CDTFA web page at <http://www.cdtfa.ca.gov/taxes-and-fees/staxmanuals.htm>.

The Business Tax and Fee Division is proposing to add CPPM section 830.003, *Returned Mail – Notice of Determination*, to incorporate current policies and procedures.

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 CDTFA at [CPPMRev@cdtfa.ca.gov](mailto:CPPMRev@cdtfa.ca.gov). Your comments or suggestions must be received by the CDTFA no later than **January 2, 2018**, in order to be considered by staff. Thank you for your consideration.

Sincerely,

Trista Gonzalez, Chief  
Tax Policy Bureau  
Business Tax and Fee Division

## **DETERMINATIONS, DEMANDS AND STATEMENTS**

**830.000**

A notice of determination (NOD), demand or statement is issued by CUTS when information reveals a use tax liability exists. In general, notices issued by CUTS are handled in the same manner as ~~for~~ sales tax accounts. In order to issue a NOD, taxable activity registration must be established.

### **RETURNED MAIL – NOTICE OF DETERMINATION**

**830.003**

The majority of accounts handled by CUTS are not permit holders and the address information may not be current. For the NOD to be valid, it must be sent to the address as it appears in the records of the California Department of Tax and Fee Administration (CDTFA), which may have been provided by other state or federal agencies (e.g., DMV). However, when there is returned mail on record from the NOD address, as a courtesy to the taxpayer, CUTS will cancel and rebill the determination once the taxpayer has been located. This can apply even when there is no evidence that the NOD was returned by the post office.

One exception to the cancel and rebill procedure is for those determinations issued close to the last statutory date. If cancelling and rebilling the determination would result in an inability to reissue because the last statutory date has passed, the determination will not be cancelled. However, efforts to locate the taxpayer and notify them of the determination will be made.

Another exception is when a timely petition for redetermination has already been received and acknowledged. If the liability is petitioned timely, the taxpayer has not lost any rights and staff should update the address without cancelling and rebilling.