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VIA INTERNET

The Audit Manual (AM) and Compliance Policy and Procedures Manual (CPPM) are guides for the California Department of Tax and Fee Administration (CDTFA) in administering tax and fee programs. They are available to the public and can be accessed on the CDTFA Guidelines/Manuals – Sales & Use Tax, Special Taxes and Fees web page.

The Processing, Policy, and Data Division is proposing to revise AM section 0115.02 and CPPM sections 240.000-245.075, 720.039, 720.031, and 755.050 to incorporate current policies and procedures.

The revision material is posted on the above-mentioned web page 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. You are welcome to submit written comments or suggestions related to the proposed revision(s) by September 21, 2026, to PPDD-BTC.CPPMRevisionSuggestions@cdtfa.ca.gov.

If you are not already signed up to receive email notifications regarding our proposed manual updates, please sign up now to ensure you receive future notifications. Go to the Sign Up For CDTFA Email Lists page, then select *Announcement of Proposed Manual Change*.

Sincerely,

Sandy Barrow, Chief
Tax Policy Bureau
Processing, Policy, and Data Division

OBTAINING AND SAFEGUARDING FEDERAL TAX INFORMATION (FTI) CPPM 720.031 / AM 0115.02

The California Revenue and Taxation Code (RTC) and the Internal Revenue Code (IRC) contain reciprocal provisions permitting an exchange of information. ~~The California Department of Tax and Fee Administration (~~CDTFA~~)~~ receives federal tax information (FTI) from the Internal Revenue Service (IRS). **FTI is confidential information and includes any tax return or tax return information received from IRS. Proper safeguarding of FTI is crucial to maintaining public trust, ensuring compliance with legal regulations, and protecting against data breaches.** ~~In addition, IRC section 6103(p)(4) requires~~ CDTFA **is required** to establish and maintain safeguards to prevent unauthorized use or disclosure of FTI.

Unauthorized access, inspection, use or disclosure of FTI can result in civil and/or criminal penalties. ~~See the CDTFA Manual of Administrative Policy section 7205 and IRC sections 7213, 7213A, and 7431 for specific penalty provisions.~~ **To ensure security and confidentiality, CDTFA Team members must follow strict protocols when storing, handling, and disposing of FTI. CDTFA works to enforce IRC standards and ensure that FTI is kept confidential.**

~~To help prevent unauthorized access, the system hides FTI from team members without authority to access FTI. Team members without access to FTI are not able to see that FTI exists in the system even if they can view other taxpayer information. For example, team members with system view-only access will not be able to add a new FTI Note, read an FTI Note, or even see that an FTI Note exists.~~

~~Definition of FTI~~

~~FTI is a term used to describe all federal tax returns and return information (and any information derived from it) that is in the CDTFA's possession or control, which is covered by the confidentiality protections of the IRC and subject to IRC section 6103(p)(4) safeguarding requirements, including IRS oversight.~~

~~FTI is categorized as "sensitive but unclassified" information and may contain personally identifiable information such as a taxpayer's full name, social security number, etc. FTI includes a return or return information received directly from the IRS (for example, information requested using the CDTFA-33-B, *Request for Federal Tax Information*), and information obtained through an authorized secondary source, such as the Alcohol and Tobacco Tax and Trade Bureau, Social Security Administration, or other entity acting pursuant to an IRC section 6103(p)(2)(B) agreement (for example, information accessed in the Data Warehouse or information received from a Franchise Tax Board (FTB) External Access Tracking (EAT) request). However, IRS returns that are attached to FTB returns received in response to a CDTFA-1144, *Official Request for Return Information*, request are not considered FTI.~~

~~FTI also includes any information created by CDTFA team members that is derived from federal returns or return information received from the IRS or obtained through a secondary source. For example, if FTI is incorporated into an exhibit in a dual determination memo, the entire memo must be handled and protected as FTI. Similarly, if FTI is transcribed into an audit schedule, the entire audit must be handled and~~

~~protected as FTI. FTI may not be masked to change the character of the information to circumvent IRC section 6103 confidentiality requirements.~~

~~Conversely, copies of tax returns or return information provided to the CDTFA directly by the taxpayer or taxpayer's representative (e.g., 1040, W-2) or obtained from public information files (e.g., federal tax lien on file with a county clerk, Offers in Compromise available for public inspection, court records, etc.) is not considered FTI and is not subject to the safeguarding requirements of IRC section 6103(p)(4).~~

~~Authorized Use~~

~~Any team member who receives FTI for an authorized use may not use the information for any purpose other than that specific authorized use. An unauthorized secondary use of FTI is specifically prohibited and may result in the discontinuation of FTI disclosures to the CDTFA and imposition of civil or criminal penalties on the responsible team member. For example, audit team members may only use FTI to perform their official duties as auditors and must not disclose the FTI to any other person who does not have a "need to know" or statutory authority to access FTI under the IRC. Browsing FTI or other tax information in any information system for personal gain or interest, or any other improper purpose is strictly prohibited. For more information, please read the "Federal Tax Information (FTI)" link on the Disclosure Office's page on CDTFA's intranet site.~~

~~Authorized users consist of team members and contractors who have successfully completed the CDTFA *Disclosure Training and Mandatory Information Security Training* within the last twelve months, and have a signed CDTFA-4, *Confidentiality Statement*, submitted to their supervisor within the last twelve months. These prerequisites must be completed before access to FTI can be provided. Supervisors are responsible for ensuring that each team member and contractor reporting to them annually completes the training and provides the signed CDTFA-4.~~

~~Team members must first inform or consult with their supervisor before requesting or using FTI on any assigned case (audit, Field Billing Order, or other investigation) to ensure compliance with CDTFA and IRS standards. If you encounter a situation where the use of FTI seems questionable, please discuss the matter with your supervisor or the Disclosure Office before proceeding.~~

~~Please refer to the section "SharePoint" below to ensure compliance with key procedures, dealing primarily with how to provide copies of audit working papers (AWP) containing FTI to taxpayers and how to accommodate related audits and dual determinations that cannot be attached in the system.~~

~~Internal audits are routinely conducted to ensure that the authorized use of FTI complies with CDTFA and IRS standards.~~

~~Verifying FTI~~

~~If team members independently verify FTI provided by the IRS or a secondary source with the taxpayer or public information files, then the verified information loses its FTI characteristic and is no longer subject to FTI safeguarding guidelines, provided the IRS source information is replaced or overwritten with the newly verified information.~~

~~For example, if a levy containing FTI is mailed to a bank, and the bank's response contains the same FTI rewritten in the bank's own writing, then the original FTI information is considered third-party verified. Team members can now overwrite the original IRS sourced information with the third-party verified information, thereby removing the information's FTI characteristic and safeguarding requirements.~~

~~Another example is if the taxpayer's address received from IRS sourced information is subsequently verified by a third party source such as CLEAR, the original FTI information can be overwritten with the third-party verified information.~~

~~The FTI Tracking Log~~

~~The FTI Tracking Log is used to track FTI (see exceptions under subheading *FTI in the CDTFA's Internal System* and subheading *SharePoint*). An entry must be made in the FTI Tracking Log whenever FTI is requested, received, handled, copied, or transcribed. For example, when team members print letters containing FTI (e.g., levies) or when an EAT resource person prints FTB information containing FTI, an entry must be made in the FTI Tracking Log.~~

~~The FTI Tracking Log is available on the CDTFA intranet site under the *On the Job* dropdown menu. Step-by-step instructions regarding how to use the FTI Tracking Log are located in the User Guide located on the FTI Tracking Log's homepage and in two separate CDTFA Take 5 videos titled, *How to Submit a Request Using the FTI Tracking Log*, and, How to Track a Request Using the FTI Tracking Log.~~

~~Safeguarding FTI~~

~~Safeguarding FTI is critically important to ensure taxpayer confidentiality is maintained, as required by IRC section 6103. Team members in possession of FTI are personally responsible for safeguarding it and must protect the information from unauthorized disclosure. Team members must keep detailed notes in CDTFA systems to record the receipt, use, and transfer of FTI information. In all instances, FTI must be safeguarded in the following manner: Electronic Files on Portable Media (e.g., compact disk (CD), flash drive, portable hard drive, SD card)~~

~~Files containing FTI must contain "FTI" in the file name.~~

~~CDTFA-85, *Inspection or Disclosure Limitations (Federal)*, must be affixed to all portable media.~~

~~Portable media must always be stored in a locked cabinet when not in use.~~

~~Receipt and transfer of FTI saved on portable media must be recorded in the FTI Tracking Log.~~

~~Hard Copy Documents~~

~~CDTFA-85, *Inspection or Disclosure Limitations (Federal)*, must be affixed to all hard copy documents.~~

~~Hard copy documents containing FTI must always be stored in a locked cabinet when not in use.~~

~~Receipt and transfer of hard copy documents containing FTI must be recorded in the FTI Tracking Log.~~

~~Retaining FTI~~

~~FTI should not be retained once it is no longer needed. However, the retention of FTI in AWP and active collection cases should follow normal retention policies. The current procedure for retaining AWP that is described in Audit Manual section 0117.02 also applies to collection case files.~~

~~Transcribing FTI~~

~~When FTI is transcribed (e.g., copied, recreated, reproduced) in any way, the transcription is also considered FTI and is subject to the same protection and restrictions as the original FTI. Transcription can occur in many ways. For example, if FTI income figures are incorporated into digital AWP or a dual determination memo, the AWP or dual determination memo is now considered FTI. Also, if an EAT resource person accesses the FTB's systems and prints or transcribes IRS information, the printed or transcribed material is considered FTI (see additional information under subheading in this section~~ ~~*FTB Information Received Through EAT Request*~~~~).~~

~~Furthermore, merely writing notes that contain FTI information on a notepad is considered transcription. In all instances, team members must take precaution when FTI is transcribed and use the FTI Tracking Log to record each occurrence.~~

~~Email and Fax~~

~~To accurately comply with IRS safeguards, team members may not email or fax any document or information containing FTI.~~

~~Voice over Internet Protocol (VoIP)~~

~~Team members may discuss a taxpayer's FTI information over the VoIP phone system only after confirming the taxpayer's identity.~~

~~Telework~~

~~Team members cannot physically remove FTI from any CDTFA location and therefore must physically be present at a CDTFA location to receive, view, transfer, and destroy all tangible FTI, including FTI stored on removable media. While teleworking, team members may access and view FTI contained in the CDTFA systems, provided a business need exists, and only when connected through the CDTFA's Virtual Private Network (VPN) on a CDTFA-issued computer. However, all transcriptions must be recorded in the FTI Tracking Log. For example, electronically transcribing FTI sourced from the Data Warehouse into an audit or dual memo requires an entry in the FTI Tracking Log. Furthermore, team members who are teleworking will only print documents containing FTI on a printer connected to the CDTFA system and located on the premises of a CDTFA location.~~

~~Requesting FTI~~

~~All requests for direct access to FTI must be documented in the FTI Tracking Log. Requests for FTI shall only be made when the information is not available from any~~

~~other source. A request for FTI is made using the CDTFA-33-B, Request for Federal Tax Information, which is subsequently approved by an authorized person listed on the CDTFA Exchange List who then creates the request and records it in the FTI Tracking Log.~~

~~The following summarizes the request process:~~

1. ~~The requestor completes the CDTFA-33-B and sends it to the approver via email. The email subject line shall contain the account number and taxpayer name, unless the taxpayer's name is derived from FTI. If the CDTFA-33-B contains FTI, the requestor must hand-to-hand deliver it to the approver or send the request via interoffice mail (not email or fax) using the double envelope procedure described in this section under the subheading *Sending and Receiving FTI*, and must create a new entry in the FTI Tracking Log.~~
2. ~~The approver will verify that the requestor is assigned to work the account listed in the request. After verifying, the approver will complete the approver sections on the form (including their signature), open a new request in the FTI Tracking Log, and attach a copy of the approved CDTFA 33-B to the request before sending it to the BTFD FTI Custodian. If the CDTFA-33-B contains FTI, it must be sent via interoffice mail using the double envelope procedure described in this section under the subheading *Sending and Receiving FTI.*~~
3. ~~The BTFD FTI Custodian shall fulfill the request by either using the IRS' Transcript Delivery System (TDS) for transcripts, or if requesting photocopies, completing the IRS Form 8796-A, *Request for Return/Information (Federal/State Tax Exchange Program – State and Local Government Only)*, and mailing it along with a cover letter to the IRS at:~~

    ~~Internal Revenue Service~~
    ~~Disclosure Scanning Operation~~
    ~~Stop 93A~~
    ~~PO Box 621506~~
    ~~Atlanta, GA 30362-3006~~

~~The IRS provides two different forms of FTI: photocopies and transcripts. However, due to the length of time it takes the IRS to process photocopy requests, team members shall only request transcripts, unless transcripts are unavailable. Transcript requests are fulfilled online through the TDS and are typically available within two weeks from the date the BTFD FTI Custodian receives the request.~~

~~Information available through TDS:~~

1. ~~Account Transcript – Includes the following:~~
    a. ~~Information on the account balance, interest, and penalties.~~
    b. ~~Taxpayer's filing status (e.g., "married filing jointly").~~
    c. ~~Line item information from the return such as Adjusted Gross Income, Taxable Income and Tax Per Return.~~
    d. ~~The date on which the IRS processed the return.~~
    e. ~~Subsequent activity posted to an account after the return was filed (e.g., payments, credits, adjustments).~~

2. ~~Return Transcript – Contains most lines from the original return, including attached forms and schedules. The transcript contains both the "per return" and "IRS adjusted" entries. It does not contain subsequent activity on the account. Return transcripts are available for returns filed during the current and three prior tax years.~~
3. ~~Record of Account – Includes both the "Account Transcript" and "Return Transcript" information and is available for returns filed during the current and three prior years.~~
4. ~~Wage and Income Documents – Shows income reported by taxpayers. Wage and Income information is only available for individual tax returns, and only for wages and income earned during the current and prior ten years.~~

~~Sending and Receiving FTI~~

~~All receipts of FTI must be documented in the FTI Tracking Log. Upon receipt of direct access to the FTI, the BTFD FTI Custodian will use the FTI Tracking Log to track the sending of the completed FTI request back to the approver by doing the steps listed below. (For FTI received via an FTB EAT request, see subheading *FTB Information Received Through EAT Request* in this section.)~~

~~FTB:~~

1. ~~Attach the CDTFA-85, Inspection or Disclosure Limitations (Federal), to the FTI.~~
2. ~~Place the FTI in an envelope marked as "Confidential – Only to be opened by designated team member" and list the approver.~~
3. ~~Place the marked envelope into another envelope (the outer envelope shall not indicate there is FTI inside the contents of the envelope).~~
4. ~~Send the hard copy FTI in the double sealed envelope marked "confidential" to the approver.~~
5. ~~The approver will receive an automated email from the BTFD FTI Custodian with directions to visit the FTI Tracking Log and confirm the receipt of the FTI. The email contains the specific Request ID that must be confirmed.~~
6. ~~The approver will go to the FTI Tracking Log and select the "Receive" button for the specific Request ID. When the hard copy FTI is received, the approver will send the completed request to the requestor by selecting the "Send" button in the FTI Tracking Log, then selecting the requestor's name.~~
7. ~~The approver will then hand-to-hand deliver the hard copy FTI to the requestor.~~
8. ~~The requestor will confirm the receipt of the hard copy FTI in the FTI Tracking Log.~~

~~Destroying FTI~~

~~When FTI is no longer needed it must be documented in the FTI Tracking Log and sent to the BTFD FTI Custodian (MIC 40) for destruction in the following manner:~~

1. ~~Attach a CDTFA-85, *Inspection or Disclosure Limitations (Federal)*, to the FTI.~~
2. ~~Place the FTI in an envelope marked "Confidential – Only to be opened by designated team member" and list the BTFD FTI Custodian (MIC 40) or FTB EAT resource person (see number 6 below).~~

3. ~~Place the marked envelope into another envelope (the outer envelope should not indicate there is FTI inside).~~
4. ~~Send the hard copy FTI in the double sealed envelope marked "confidential" to the supervisor in Compliance and Technology Section (MIC 40).~~
5. ~~The team member who sends the physical FTI for destruction must also send the request to the BTFD FTI Custodian in the FTI Tracking Log.~~
6. ~~FTI received via FTB EAT request must be returned to the EAT resource person. If both team members are in the same office, the FTI will be hand-to-hand delivered to the EAT resource person and tracked in the FTI Tracking Log. If the EAT resource person is in a different office from the requestor, the FTI will be sent via interoffice mail to the EAT resource person following the instructions in numbers 1-3 above, with the outside envelope addressed to the EAT resource person. The EAT resource person will follow the office procedure regarding packaging and shipping of FTI material to the BTFD FTI Custodian.~~
7. ~~The BTFD FTI Custodian shall destroy FTI, such as transcribed notes, printouts, levies, returns, and electronic media stored on removable media in the manner that complies with IRS publication 1075, *Tax Information Security Guidelines for Federal, State and Local Agencies*.~~

~~Destruction of electronic files must also go through the BTFD FTI Custodian. For example, when physical FTI does not exist, team members will first delete the FTI from all the drives on their computer (including the C Drive) and recycle bin. An entry must be made in the FTI Tracking Log to send a request for destruction to the BTFD FTI Custodian. After sending the request in the FTI Tracking Log, team members will send a separate email to the BTFD FTI Custodian inbox at BTFD.FTICustodian@cdtfa.ca.gov with the following information:~~

~~Request ID~~
~~Account number~~
~~Date the destruction was requested~~
~~Specific files for destruction~~
~~Certification statement, "I certify that all electronic FTI files were deleted from the drives on my computer and the recycle bin."~~

~~The BTFD FTI Custodian must ensure their procedures comply with IRS publication 1075, *Tax Information Security Guidelines for Federal, State and Local Agencies*.~~

~~FTI in the CDTFA's Internal System~~

~~The system is built to control and monitor access to FTI that is received directly from other agencies (Data Warehouse) or added into the system by team members (e.g., operational data such as names and addresses, or FTI Notes). The system is generally considered FTI compliant because it tracks and records every access to FTI in an audit trail. Therefore, team members who have completed the requisite training including, but not limited to, the annual Disclosure Training and Mandatory Information Security Training can view and use FTI within the system without having to externally record each transaction in the FTI Tracking Log. For example, transcribing FTI from the Data Warehouse to an FTI Note, within the system, does not warrant an entry in the FTI Tracking Log. However, FTI transcribed out of the system requires an entry in the FTI~~

~~Tracking Log. FTI in the Data Warehouse is clearly identified with the label, "FTI" (for example, "1099-MISC FTI"). Conversely, data that does not have the FTI label, FTI shield icon, or FTI Present indicator is not considered FTI and therefore is not subject to IRS safeguarding guidelines.~~

~~Notably, the system is not considered FTI compliant with respect to attachments. The system does not have the capacity to control and monitor FTI attachments containing the mandatory identification phrase "FTI" in the file name. Therefore, team members must not attach FTI files anywhere in the system. Instead, team members will add FTI in the operational data or an FTI Note, which are both considered FTI compliant. Team members must also remember to use the FTI Tracking Log to record all FTI transcriptions into the system (see subheading *The FTI Tracking Log*). After transcribing FTI into the system, the original FTI must be destroyed following the procedure described in this section.~~

~~Whenever FTI is transcribed out of the system, in any form, a new entry will be made in the FTI Tracking Log to record the transaction. For example, when an FTI levy is manually printed, or when FTI found in the Data Warehouse is incorporated into an audit or dual determination memo, the transcription of FTI out of the system requires an entry in the FTI Tracking Log.~~

~~Adding FTI into the System~~

~~The shield icon and FTI Present indicator are used to identify and communicate the presence of FTI. Whenever FTI is added into the system, team members will immediately add both identifiers to the FTI account. The most common FTI additions into the system are operational data (names, addresses, IDs) and notes.~~

~~When adding FTI names, addresses, and IDs, confirm that the shield icon is activated in the respective dialogue box by selecting the grey shield icon and checking the box under the heading, "Select Protected Data Source." When active, the shield icon will change from grey to gold. Once the FTI is saved, record the transaction in the FTI Tracking Log then immediately add the FTI Indicator and an FTI Note that explains the following:~~

1. ~~Description of the FTI (Name, address, ID, etc.)~~
2. ~~Where the FTI originates from (IRS, FTB, etc.)~~
3. ~~What form the FTI is from (Return, W-2, etc.)~~
4. ~~Where the FTI is located (For example, "The FTI is located on the Registration > IDs springboard")~~

~~When adding FTI notes, use the "FTI Note" type. For example, a payment plan review summary that contains FTI sourced income figures must use the FTI Note type. FTI Notes may be added from the Customer, Collection, and Audit springboards. FTI Notes are easily identified with the same shield icon that is applied to FTI names, addresses and IDs. Similarly, whenever an FTI is added into the system in an FTI Note, team members will immediately record the transaction in the FTI Tracking Log, then add the FTI Present indicator in the system.~~

~~If FTI already exists in the system (e.g., Data Warehouse) and an FTI Note is added from that source, no entry is needed in the FTI Tracking Log.~~

~~FTI on Outgoing Correspondence - Automated and Non-Automated Collections~~

~~When an account is staged to "Automated Collection" status, the system may incorporate (transcribe) operational data containing FTI into outgoing correspondence. For example, FTI names, addresses, and IDs may be transcribed onto a levy that is then automatically batch printed. Because the automated collection process works in the background, team members may not immediately know that an FTI transcription occurred. However, a timely entry in the FTI Tracking Log must be made when knowledge of a transcription is established. For example, when a response to the FTI levy is received, the team member responsible for resolving the levy will create an entry in the FTI Tracking Log recording the initial batch printed transcription out of the system, the subsequent receipt of the response, and finally the destruction of the FTI. Similarly, while reviewing accounts in "Automated Collection" status, team members will determine whether FTI was automatically transcribed out of the system by reviewing the account's history (for example, indicators, notes, etc.) for evidence of auto-generated letters containing FTI (for example, levies, wage garnishments, etc.). If found, team members shall create an entry in the FTI Tracking Log to record the transcription.~~

~~Occasionally, responses to FTI correspondence may contain third-party verification of the original FTI. Third-party verification occurs when the recipient of the original FTI correspondence independently reconstructs the original FTI on their response. For example, the recipient's response includes a statement such as, "*FTIname* closed account on x/x/ xx," in the blank spaces on the Memorandum of Garnishee levy response page. When third party verification is received, team members will overwrite the original FTI in the system with the third-party verified data, then add an FTI Note identifying the third party that verified the original FTI and explain the form of the verification. For example, "*Bankname* independently wrote the *FTIname* on the Memorandum of Garnishee received on x/x/xx." Once overwritten, the original FTI loses its FTI characteristic and is no longer subject to safeguarding requirements.~~

~~For accounts that are actively being worked or otherwise not in Automated Collection status, all printing of FTI correspondence must be done manually. FTI correspondence cannot be sent to batch print. For example, applying a system recommendation that creates an FTI correspondence (for instance, an EWO, levy, etc.) requires that team members manually print the document on a local printer, then immediately create an entry in the FTI Tracking Log to record the transcription.~~

~~SharePoint~~

~~Because files or documents containing FTI cannot be attached in the system, distinct FTI compliant SharePoint sites were created to accommodate audits and dual determinations that incorporate FTI into the working papers. Upon completion of an audit or investigation, auditors and dual writers must upload their investigation materials, including AWP and dual determination memos, into the respective SharePoint sites. Please consult with your supervisor for the specific procedures for using the SharePoint sites.~~

~~Every access to the SharePoint is tracked and recorded in an audit trail. Although files can be viewed and modified within the SharePoint site without the need for external~~

~~tracking, the FTI Tracking Log must be used to record all transcriptions of FTI, including uploads to and downloads from, SharePoint sites. Once FTI files are uploaded into SharePoint, the remaining FTI must be destroyed using the procedures described above in this section. Audits and duals containing FTI must adhere to the following guidelines:~~

1. ~~When FTI is saved on a hard drive, use the naming convention: *caseid_taxpayername_* FTI.~~
2. ~~When the investigation is complete, upload all final documents to the SharePoint site.~~
    a. ~~Add an FTI Note to the case in the system explaining that the audit or dual contains FTI and is attached in the respective SharePoint site.~~
    b. ~~Once the audit or dual is uploaded to the SharePoint site, delete all remaining FTI on all computer drives (including the C Drive) and the recycle bin. Make entries in the FTI Tracking Log to record any transcriptions and the destruction of the FTI.~~
3. ~~CRM Notes~~
    a. ~~Notes can be entered on the CRM Notes springboard to record that a request for FTI was made. However, FTI-derived information, such as fact of filing or non-filing, must not be mentioned in the notes.~~
4. ~~Use the FTI Tracking Log to record:~~
    a. ~~The receipt of FTI.~~
    b. ~~Transcription of FTI to the auditor's or dual writer's computer, SharePoint sites, and to any other location.~~
    c. ~~When sending an audit or dual to a taxpayer, a physical copy must be printed and mailed, or hand-to-hand delivered to the taxpayer. Printing requires the creation of a new entry in the FTI Tracking Log.~~

~~FTB Information Received Through EAT Request~~

~~Although FTI received via an FTB EAT request is generally suppressed on the FTB system displays, the EAT resource person is responsible for determining whether data responsive to the request located in the FTB system contains FTI by following the instructions outlined in the Compliance Policy Management Guidelines (CPMG).~~

~~If FTI is found, the EAT resource person will create a new entry in the FTI Tracking Log and send it to the team member who requested the information by selecting the "Send" button. A notification email will automatically be forwarded to the recipient directing the recipient to go to the FTI Tracking Log and confirm receipt of the FTI. The EAT resource person will hand-to-hand deliver the FTI to the team member who made the request following the procedures outlined under the subheading in this section Safeguarding FTI. Upon receipt of the physical FTI, the team member will go to the FTI Tracking Log and confirm the receipt of FTI by selecting the "Receive" button.~~

~~If the EAT resource person and the requestor are not physically in the same office, the FTI must be sent to the recipient via interoffice mail following the double envelope procedures outlined in the subheading in this section *Sending and Receiving FTI.*~~

~~FTI for Joint Operations Center (JOC)~~

~~The JOC was established by the IRS to increase compliance with federal and state fuel tax programs. Audit and Carrier Bureau's Audit Examination Branch (AEB) is a participant in the JOC program and uses JOC data primarily to identify under-reporting or evasion of excise taxes. Only AEB team members who are vetted and approved by the IRS may access the JOC data. AEB maintains a policy of never removing JOC FTI from the IRS-issued laptops.~~

~~In addition, AEB may request FTI data from the IRS for use in developing audit leads for fuel tax audits. All requests for JOC FTI shall be made using the procedures outlined in the Memorandum of Understanding dated September 5, 2007. For information on JOC FTI procedures, team members may contact the AEB Administrator.~~

~~Automated Process for Receipt of FTI Data Related to Federal Taxes on Fuel~~

~~The CDTFA and IRS entered into an exchange of information agreement whereby the IRS automatically mails hard copies of certain FTI to assist with fuel tax audit leads. Forms 5384 and 5385 – *Excise Taxes Examination Changes*, are received on a quarterly basis.~~

~~In addition, the following IRS forms are also received as part of the agreement; 890, 1273, 2504, 2504-WC, 3228, 4549, 4666, 4667, 4668, 5318, and 6180. The IRS sends the FTI forms to CDTFA's Business Tax and Fee Division, Audit and Carrier Bureau, and Audit Examination Branch (AEB) directly. Upon receipt in the mail, it is delivered unopened to the AEB FTI Custodian directly. The AEB FTI Custodian logs the FTI information into the FTI Tracking Log when it is received and then secures the information in the appropriate secured IRS storage cabinet. The FTI custodian reviews the information and, if necessary, requests an AEB supervisor assign for field work investigation.~~

~~When a potential audit lead is identified, the AEB team member shall access the entity's information in the system and add a Memorandum of Possible Tax Liability case on the account. The team member shall add a general statement detailing the potential error that was identified (excluding any FTI information) before staging the case to General Referral – Special Taxes. AEB receives the assignment and works the case to determine whether an audit, billing, or both are warranted.~~

~~After the FTI is reviewed, the AEB FTI Custodian arranges to properly destroy the FTI and logs the destruction into the FTI Tracking Log.~~

~~DIFFERENT CLASSES OF~~ SALES **AND USE** TAX ACCOUNTS 240.000

OVERVIEW 240.005

Sales and use tax~~ TATs allow both single outlet~~ accounts~~,~~ **can** consist~~ing~~ of a single selling location **(a "site") or multiple selling locations ("sites").**~~, and multiple outlet accounts, consisting of two or more selling locations.~~ ~~Single outlet a~~**A**ccounts **with one site** are discussed in this ~~sub~~section. ~~Multiple outlet a~~**A**ccounts **with two or more sites are**~~,~~ called ~~"~~consolidated accounts,~~"~~ **and** are discussed in CPPM section 245.000.

SITES DEFINED 240.007

Sites are business locations from which sales of tangible personal property are made. Each site is in a taxing jurisdiction, which includes the applicable city, county, unincorporated county area, district, or redevelopment area. Taxing jurisdictions may receive a portion of taxes imposed pursuant to the Bradley Burns Uniform Local Sales and Use Tax Law in accordance with the Transactions and Use Tax Law, and/or pursuant to other applicable statutes. See also CPPM section 230.030 for additional information.

SINGLE **SITE** ~~OUTLET~~ ACCOUNTS 240.010

Three~~Four~~ types of single **site**~~outlet~~ sales tax accounts exist:

~~1.~~ Regular sellers~~, TAT SR~~
~~2.~~**1.** ~~Classified sellers, TAT SR~~
~~3.~~**2.** Special sellers~~, TAT SR S~~
~~4.~~**3.** Temporary sellers~~, TAT SR (ACC 001)~~

Regular Sellers~~, Classified Sellers~~ and Special Sellers differ from each other~~ only~~ in **how** ~~the manner in which~~ local tax is handled. Temporary Sellers differ from the other **two**~~three~~ in length of operation. ~~A decision table to assist you in determining which TAT to use for single outlet sales tax accounts may be found in CPPM section 240.035.~~

REGULAR SELLERS 240.020

~~Single outlet accounts requiring no special allocation of local tax and no special or supplemental tax returns or schedules are considered regular sellers. These accounts constitute the majority~~ **Regular sellers with a single site make up most** of **the** sales and use tax accounts administered by~~ the~~ CDTFA. **The system will automatically populate local taxes to the single site as tax is generally allocated there on all sales.**[1] **For paper filers, completion of a CDTFA-530, *Schedule C - Detailed Allocation by Location of Sales and Use Tax Transactions,* is generally not required.**

~~CLASSIFIED SELLERS 240.030~~

~~Classified sellers are single outlet sales tax accounts, but due to the nature of business, require special allocation of local taxes by the CDTFA. The CDTFA has determined that classified sellers with local tax amounts less than $600 per year do not require special~~

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[1] **RTC section 7205; Regulation 1802**

~~schedules or tax returns to be prepared by the taxpayer. The Local Tax is allocated based upon statistical analysis. Examples of "classified sellers" might include construction contractors, mobile auto repair facilities, vending machine owners, door to door sales, and persons who regularly conduct business in various temporary locations.~~

~~If an account originally coded as a classified seller increases in taxable sales volume beyond the $600 annual local tax threshold, the account becomes a Special Seller, and is required to break down sales by county. See CPPM section 240.040 for additional discussion of special sellers.~~

~~Classified sellers' permits are coded SR, with the third through fifth digits of the area code ending in "999." The "999" codes flag the account for further distribution of local taxes. For example, a classified seller in Ventura County would have an area code of 56-999-000-0000.~~

~~Additional discussion of specific types of classified sellers may be found in CPPM section 255.000, et seq.~~

~~Single Outlet Codes for:~~

~~Area Code, Local Tax Code, Taxable Activity Type, Office Code~~

~~CONDITION~~	**~~A~~**	**~~B~~**	**~~C~~**	**~~D~~**	**~~E~~**	**~~F~~**	**~~G~~**	**~~H~~**
~~Auctioneer or Construction Contractor~~	~~Y~~	~~Y~~						
~~Itinerant Vendor or Vending Machine Operator~~	~~Y~~	~~Y~~						
~~Sellers who purchase ex-tax for use at~~			~~Y~~					
~~locations not requiring a permit~~								
~~Out-of-state seller with in-state business address~~		~~Y~~	~~Y~~					
~~Seller located in fringe area~~						~~Y~~	~~Y~~	
~~Out-of-state or fringe area seller with NO in-state~~							~~Y~~	
~~business address~~								
~~Local Tax LESS than $600 per year~~	~~Y~~							
~~Large scale business with installations in 2 or~~		~~Y~~						
~~more counties~~								
~~ACTION~~	**~~A~~**	**~~B~~**	**~~C~~**	**~~D~~**	**~~E~~**	**~~F~~**	**~~G~~**	**~~H~~**
~~Enter Taxable Activity Type SR S~~	~~X~~	~~X~~	~~X~~	~~X~~	~~X~~			
~~Enter Taxable Activity Type SR~~	~~X~~		~~X~~		~~X~~			
~~Third through fifth digits of area code are 999~~		~~X~~		~~X~~		~~X~~	~~X~~	
~~Area code to in-state business location~~		~~X~~		~~X~~			~~X~~	~~X~~

~~Use office code of OH, OHA, OHB, or OHC X X~~	
~~Use office code of fringe area office X~~	
~~Use office code of in-state office responsible X~~	
~~for business address~~	
~~*For additional guidance for accounts with books and records out of state or in fringe areas see section 270.000.*~~	

SPECIAL SELLERS 240.040

Due to the nature of their specific business, special sellers with a single site require specific allocation of local taxes. Examples of special sellers include construction contractors, mobile auto repair facilities, vending machine operators, door-to-door salespersons, and those that regularly conduct business in various temporary locations. Special sellers filing electronically, file both an electronic schedule C to allocate taxable sales at the registered site and an electronic schedule B.[1] Taxpayers filing paper returns, file a CDTFA-530, *Schedule C- Detailed Allocation by Location of Sales and Use Tax Transactions* and a CDTFA-531, *Schedule B- Detailed Allocation by County of Sales and Use Tax Transactions.* ~~Special sellers, like classified sellers, are also single outlet accounts requiring further allocation of tax by the CDTFA . Special sellers:~~

- ~~Require sales tax returns containing a CDTFA 531, *Schedule B Detailed Allocation by County of 1% Local Sales and Use Tax*, normally due to local tax exceeding $600 per year.~~
- ~~Special sellers' permits are coded SR S; it is this code which determines whether tax returns containing Schedule B are sent.~~
- ~~Special seller taxpayers must complete Schedule B, detailing by county where taxable sales were made. These returns are then manually processed in Headquarters to further distribute local taxes.~~

Further discussion of special sellers may be found in CPPM section 265.000.

TEMPORARY SELLERS 240.050

Common types of temporary sellers with a single site include Christmas tree lots, carnivals, rummage sales, and fireworks stands that sell items at a single location for a period of 90 days or less. When registering for a temporary seller's permit, the address of where the temporary sales will occur must be provided.[2] ~~Temporary sellers typically operate a selling operation with duration of one month or less.~~

- ~~Examples of selling operations qualifying as temporary are Christmas treelots, carnivals, rummage sales and fireworks stands.~~
- ~~The CDTFA may issue a temporary permit, however, for up to 90 days if necessary.~~

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[1] **RTC section 7205; Regulation 1802**
[2] **RTC section 6066**

Local tax is allocated in the same manner as a regular seller. That is, the tax is generally allocated to the registered single site.[1] Further discussion of temporary sellers may be found in CPPM section 250.000.

[1] **RTC section 7205; Regulation 1802**

CONSOLIDATED ACCOUNTS — REGISTRATION 245.000

CONSOLIDATED ACCOUNTS DEFINED 245.005

A consolidated account is a sales tax account with two or more ~~selling locations~~ **sites in one or more taxing jurisdictions** for which a single tax return is filed. **Sellers who do not maintain their records in a manner enabling them to report conveniently on a consolidated basis should hold separate accounts so separate returns can be filed for each site. No seller should be required to hold a consolidated permit if they prefer to file separately for each selling location.**~~No seller should be required to hold a consolidated permit if he/she prefers to file separately for each selling location.~~

~~MASTER LOCATION DEFINED 245.010~~

~~Consolidated sales and use tax accounts are issued to a "master location," which generally is the location of books and records necessary for audit. A master location does not necessarily need to be a selling location, hence a master location may be in one district, with all selling sublocations located elsewhere.~~

~~A master permit is only an authorization to file consolidated returns, not to make sales of tangible personal property. As stated in the previous paragraph, the master location of a consolidated account is generally the address at which the books and records necessary for audit are maintained. The location of an out-of-state accountant or bookkeeper, as is common in franchise operations, is not a master location.~~

~~If a sales location is also the master location, a sub-permit and a consolidated permit are required for that location. Because a master location may not have a permit as a place of business, enforcement or punitive measures regarding master locations may not be available to the CDTFA.~~

~~SR X Consolidated Accounts~~

~~TAT SR X is a consolidated account with all sublocations located within the same taxing jurisdiction. The master location for an SR X account may be in another district or another county, yet the tax area code will be shown for where the sublocations are situated.~~

~~For example, a taxpayer operates two sublocations within the city of Ventura, with a tax area code of 56020-000-0000, but books and records for audit purposes (master location) are in North Hollywood. The permit will be issued as follows:~~

~~Taxable Activity Type:~~	~~SR X~~
~~Master location:~~	~~North Hollywood~~
~~Office of control:~~	~~AC — Van Nuys (which has administrative responsibility for accounts in North Hollywood)~~
~~Area code on master:~~	~~56020-000-0000~~

~~See also CPPM section 230.030 for further discussion of area codes for SR X accounts.~~

~~SUBLOCATION DEFINED 245.015~~

~~A sublocation is one of two or more business locations from which sales of tangible personal property are made, and for which sales are reported under a single sales and use tax account number.~~

~~Sublocations are usually found with sales TAT codes SR X, SR Y and SR Z, but occasionally are found with temporary accounts SR (ACC 001). Sublocations with TAT codes SR Y, SR Z, and (generally) SR (ACC 001) are not in the same taxing jurisdiction. Taxing jurisdiction includes a city, unincorporated county area, district, or redevelopment area, because each may receive a portion of taxes collected as a result of Bradley Burns Local Tax or statute. See also CPPM section 230.030 for additional information.~~

~~PERSONS TO WHOM ISSUED 245.020~~

~~As a general rule, consolidated permits may be issued to sellers having two or more selling sublocations in one or more taxing jurisdictions, provided staff determines it is in the best interest of the taxpayer and the CDTFA. Those sellers who do not maintain their records in a manner enabling them to report conveniently on a consolidated basis should be encouraged to file separate returns even though they meet the requirements for being issued a consolidated permit.~~

~~CONSOLIDATED ACCOUNTS IN A SINGLE TAXING JURISDICTION 245.025~~

~~Consolidated accounts issued to persons having two or more locations within the identical taxing jurisdiction require no further allocation of local tax (accounts with the same 12-digit tax area code for all locations). They are always assigned account numbers with the TAT code SR X. Accounts coded SR X file a regular sales and use tax return with no special schedules. Once each year these accounts are sent a list of all locations of record and a letter requesting confirmation of existing locations. Also, taxpayers are requested to inform the CDTFA of new or unlicensed outlets, or outlets which moved or closed out. (See CPPM sections 245.010 and 230.030.) For temporary accounts TAT code SR (ACC 001), please refer to CPPM section 245.060.~~

~~REGULAR~~ CONSOLIDATED ACCOUNTS ~~REQUIRING LOCAL TAX ALLOCATION~~ – REGULAR SELLERS 245.030

Consolidated accounts issued to **regular sellers** ~~persons having locations in more than one taxing jurisdiction~~ require further allocation of local tax. ~~They are assigned account numbers with TAT code SR Y or, as explained in the following section, SR Z.~~ When filing returns ~~electronically~~, the taxpayer will be required to ~~designate~~ **allocate taxable** sales made at each ~~location. For those who file a paper return, they will also be required to complete~~ **registered site using the electronic schedule C or by paper on the** CDTFA-~~-~~530, *Schedule C~~-~~— Detailed Allocation by ~~Suboutlet of Local~~ **Location of** Sales and Use Tax **Transactions***~~, to provide for allocation of tax by sublocation~~.[1] ~~(See CPPM section 230.030.) For temporary accounts TAT SR (ACC 001), please refer to CPPM section 245.060.~~

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[1] **RTC section 7205; Regulation 1802**

CONSOLIDATED ACCOUNTS — SPECIAL SELLERS 245.035

~~TAT code SR Z is a consolidated Special Seller (SR S) account. These are consolidated accounts issued to persons who are special sellers, as described in CPPM section 265.000 et seq., and have two or more locations. They are always assigned account numbers with the TAT code SR Z. When filing returns electronically, the taxpayer will be required to designate sales made at each locationwhere taxable sales are made. They can do so by . For those who file a paper return, they will also be required to complete CDTFA -530, *Schedule C — Detailed Allocation by Suboutlet of Local Sales and Use Tax*, to provide for allocation of tax by sublocation. A schedule on the reverse side of the consolidated return provides for allocation of tax by counties.~~ **Consolidated accounts issued to special sellers require further allocation of local tax. Special sellers filing electronically, file returns with both an electronic schedule C to allocate taxable sales at the registered sites and an electronic schedule B.[1] Taxpayers filing paper returns, file a CDTFA-530, *Schedule C- Detailed Allocation by Location of Sales and Use Tax Transactions* and a CDTFA-531, *Schedule B- Detailed Allocation by County of Sales and Use Tax Transactions*. See CPPM section 265.000 et seq.**

CONSOLIDATED ACCOUNTS – TEMPORARY SELLERS 245.040

Consolidated accounts issued to temporary sellers are treated like consolidated regular seller accounts. When filing electronic returns, taxable sales should be allocated to each registered site using the electronic schedule C.[2] Taxpayers filing paper returns, file a CDTFA-530, *Schedule C- Detailed Allocation by Location of Sales and Use Tax Transactions*. See CPPM section 510.070.

~~CONSOLIDATED ACCOUNTS — ITINERANT VENDORS 245.040~~

~~Itinerant vendors in general are discussed in CPPM section 260.010.~~

~~Generally, an itinerant vendor will indicate an address where the books and records of the business are located and a location where most of their sales will take place. The question arises: "What happens when the location of the books and records becomes a selling location?" Whenever a particular location becomes a selling location, that place must be added to the account as a sublocation. This will cause the account to be changed from an SR account to an SR Y or SR X account.~~

~~Following are four examples that should help in determining proper account coding:~~

1. ~~When an itinerant vendor, whose residence is listed as the original business location and whose local tax allocation is under $600 per year, decides to sell at a swap meet, the original business location will become Sub 0001 with a tax area code of XX999 and the swap meet location will become Sub 0002 using the specific tax area code for the swap meet.~~
2. ~~When an itinerant vendor, whose residence is listed as the original business location and whose local tax allocation is under $600 per year, decides to open up a permanent retail location, the original business location will become Sub~~

[1] RTC section 7205; Regulation 1802
[2] RTC section 7205; Regulation 1802

~~0001 with a tax area code of XX999 and the permanent retail location will become Sub 0002 using the specific area code for that retail location.~~

3. ~~An itinerant vendor whose local tax allocation is over $600 per year and all, or substantially all, sales are made in one county should be an SR account with a tax area code of XX999. If sales are made on a large scale in more than one county and the local tax is more than $600 per year, the account should be coded SR S with the area code of the permanent business address.~~
4. ~~How should an account be coded when an itinerant vendor whose residence is listed as the original business location and whose local tax allocation is over $600 per year decides to open up a permanent retail location? If all, or substantially all, the vendor's operations are made in one county, Sub 0001, the original business location, will be coded XX999 and Sub 0002, the retail selling location, will be coded to the appropriate local area code and the TAT will be SR Y. The account will become an SR Z only if the local tax on itinerant sales are over $600 per year, and not generally confined to the county of residence.~~

CONSOLIDATED ACCOUNTS – ALLOCATION OF LOCAL TAX 245.050

Exact Location Verification

Many post office delivery areas overlap city and/or county boundaries. As a result, proper verification of the exact location of a ~~sublocation~~**site** in some areas is very difficult. For example, the city of Watsonville is an incorporated city within Santa Cruz County with tax area code 44052–**A69**~~041~~–0000. Watsonville postal delivery also includes unincorporated portions of Santa Cruz County (44998–**A89**~~041~~–0000). Immediately across the Pajaro River to the south are unincorporated portions of Monterey County (27998–**C27**~~032~~–0000) and San Benito County (35998–**706**~~015~~–0000,) served by the same Watsonville post office. There are streets in all three counties that have same or similar names. A similar situation exists in Folsom (Sacramento, El Dorado, and Placer Counties); Thousand Oaks and Malibu (Ventura and Los Angeles Counties); and Los Gatos (Santa Clara and Santa Cruz Counties). The importance of **assigning** accurate **tax area codes**~~coding for sublocations~~ has become even more important and cannot be overemphasized, and for this reason the "County" for each ~~sublocation~~**site** must be entered.

Not All Selling Locations in California

~~Sublocations~~**Sites** must be located within California.[1] Many consolidated accounts have **sites**~~sublocations~~ in California~~,~~ and~~ also~~ fill orders to California consumers from out-of-state locations. When this situation is encountered, the taxpayer becomes a "special seller**.**" ~~(~~See CPPM section 240.040~~ for the definition of "special seller")~~. No separate ~~sublocation~~**site** is established at the out-of-state location, but sales to in**-**state consumers made from the out-of-state location must be reported **by the taxpayer**.[2]

~~Local taxes plus any applicable district taxes must~~ **For sales delivered to in-state consumers from out-of-state locations, local taxes must generally** be allocated to the purchaser's county **on the schedule B** when filing electronically or **the**~~for paper~~

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[1] RTC sections 6051, 7205; Regulations 1620, 1699, 1802

[2] RTC section 6203; Regulation 1620

~~filers on~~ CDTFA-~~–~~531, *Schedule B*~~–~~ *Detailed Allocation by County of ~~1% Local~~ Sales and Use Tax* ***Transactions*** **for paper filers**.[1] ~~Use the TAT code SR Z for this type of account (SR Z is a consolidated Special Seller account).~~

Fiscal Impact of Errors

Errors in assigning tax area codes will result in the improper distribution of local tax revenues unless CDTFA records are corrected prior to distribution of the tax. Such **improper distributions**~~misallocations~~ directly impact local government finances because the correct recipient is denied expected funds and the jurisdiction receiving the local tax in error may make important fiscal decisions based on overstated amounts. An improper distribution followed by a subsequent correction can have a material effect on the jurisdictions involved.[2] For this reason, the importance of **assigning** accurate **tax area codes**~~coding~~ cannot be overemphasized.

~~TEMPORARY CONSOLIDATED ACCOUNTS 245.060~~

~~TAT code SR (ACC 001) applies to all temporary accounts (whether consolidated or not). Unlike consolidated TAT codes (SR X, SR Y, and SR Z), temporary consolidated accounts are treated like a single outlet temporary account.~~

~~The decision tables in CPPM section 245.075 and section 120.005 of the Business Taxes Code Book do not apply to consolidated temporary accounts.~~

~~For consolidated temporary accounts with books and records located in a fringe area or out-of-state, the tax area code for the master location is used as though the account was a single outlet account. The decision table in section 120.010 of the Business Taxes Code Book may assist in determining the proper tax area code.~~

~~IMPORTANT! If providing paper returns, staff must furnish the taxpayer with CDTFA-530, *Schedule C — Detailed Allocation by Suboutlet of Local Sales and Use Tax*. See CPPM section 510.070.~~

PERMITS FOR GASOLINE STATIONS OPERATED TEMPORARILY BY OIL COMPANIES 245.065

- Oil companies **with**~~holding~~ sub-permits for their service station **sites**~~locations~~ will not be required to close out the sub-permit when a lessee takes over the operation of the **site**~~location~~ and obtains a permit.
- The oil companies may keep the sub-permit active to allow for their operation of the **site**~~location~~ in the event that the lease is terminated.
- The oil companies will include in their sales and use tax returns transactions for the stations they operate temporarily.

RETAILERS OF GASOLINE QUALIFYING AS RETAILERS ~~UNDER SECTION 6015~~ 245.070

A retailer of gasoline sold at markets and similar businesses may be approved to operate under RTC section 6015.

[1] **Regulation 1802**

[2] **RTC sections 7209, 7269**

- In such cases, the retailer is issued a consolidated permit with a sub-permit issued for each **registered site**~~fixed location~~.
- ~~The account is assigned the TAT code SR Y so that proper allocation of local tax can be made.~~
- The operators at **sites**~~locations~~ where the **retailers**~~companies~~ approved under section 6015 furnish gasoline will not be liable for~~,~~ or required to include gasoline sales in their returns.

~~CONSOLIDATED ACCOUNTS — DECISION TABLE 245.075~~

~~CONSOLIDATED ACCOUNTS~~
~~(2 OR MORE BUSINESS LOCATIONS)~~

~~CONDITION~~	~~A~~	~~B~~	~~C~~
~~All business locations in a single taxing jurisdiction~~	~~Y~~		
~~Businesses located in 2 or more taxing jurisdictions~~		~~Y~~	
~~* Special Sellers reporting MORE than $600 in Local Tax per Year~~			~~Y~~

~~ACTION~~	~~A~~	~~B~~	~~C~~
~~Enter Taxable Activity Type SR X~~	~~X[1]~~		
~~Enter Taxable Activity Type SR Y~~		~~X[1]~~	
~~Enter Taxable Activity Type SR Z~~			~~X[1]~~
~~Area code to business locations~~	~~X[2]~~		
~~Third through fifth digits of Master area code are 000~~		~~X[2]~~	~~X[2]~~

~~• Auctioneer, Construction Contractor or Vending Machine Operator~~

~~For accounts where the master location is situated outside California see decision table at section 120.010 of the Business Taxes Code Book.~~

POST OFFICE INFORMATION 720.039

Forwarding addresses may be secured by mailing the taxpayer a letter directed to the last known address with a statement "Address Service Requested" entered below ~~the~~ CDTFA's return address in lettering large enough to be readily visible.

The CDTFA–53, *Postal Service Letter*, may also be used in obtaining addresses from the post office. If a CDTFA–53 is incorrectly prepared or is sent to the wrong post office, the postmaster will return the request, specifying the deficiency in the space marked "Other**.**"~~.~~ Do not submit **duplicate** requests~~ in duplicate~~.

Team members must send a CDTFA-53 from the Account springboard in the system when an account exists. When the address of a person without an existing account in the system must be verified, team members may send the CDTFA-53 outside the system and must attach a copy of the CDTFA-53 to the Customer springboard or relevant case in the system.

When sending a CDTFA-53, team members must:~~Instructions for submitting requests for address information:~~

1. Address the request to the postmaster at the post office of last known address **by entering the city, state, and zip code of the person's last known mailing address in the Last Known Address field of the form**.
2. List the taxpayer's account number and the date the request is submitted **(letter date)**.
3. ~~On the lines provided, list~~**List** the taxpayer's name and the last known address, including zip code.
4. ~~The CDTFA–53 shouldbe signed by an authorized person.~~ **Include the name of the authorized person, (that is, the name of the team member sending the form).**
5. ~~Type or stamp the CDTFA office return mailing address in the space~~ **Enter the CDTFA return address in the field** provided at the bottom of the form.
6. Mail the CDTFA–53 to the postmaster at the post office of last known address.
7. Enclose a pre-stamped return envelope or E–11 Business Reply envelope for any request.

Please note that the system automatically populates several of the fields required on the form.

All responses should be attached to the appropriate springboard in the system. In answering a request for taxpayer address information, postmasters will provide one of the following responses:

1. Mail is ~~Delivered to Address Given~~**delivered to address provided**: the address ~~the~~ CDTFA provided is verified by the postal service as one to which mail for the taxpayer is currently being delivered.
2. Not ~~Known at Address Given~~ **known at address provided**: mail for the taxpayer is not currently being delivered to the address~~ given~~ **provided**.
3. Moved, ~~Left No Forwarding Address~~**left no forwarding address**: the addressee is believed to have moved and has not provided the post office with a change-of-address order. The address **provided** is verified as one to which mail for the taxpayer is not currently being delivered.
4. No ~~Such Address~~**such address**: the address ~~given~~ **provided** is nonexistent.
5. Other (~~Specify~~**specify**): as appropriate, postmasters will provide other responses such as "Returned — Sent to Wrong Post Office," "Addressee is Deceased," "Address Given is Insufficient," etc.
6. New Address: if the addressee has submitted a change-of-address order, the new forwarding address will be provided.
7. Boxholder**'s** Street Address: if the last known address is a post office box, the taxpayer's street address, as shown on USPS Form 1093, *Application for Post Office Box or Call Number*, will be provided. The location of rural route boxes is public information. Post offices usually have route maps posted in the lobby. Under some circumstances, post offices are authorized to give names and addresses of box holders when the box is being used to solicit business

from the public. Staff should discuss individual cases with the local postmaster. ~~Section 261.24 of the Postal Manual contains some directions on this subject.~~

EARNINGS WITHHOLD ORDERS AGAINST U.S. POSTAL EMPLOYEES 755.050

The Postal Service has one designated ~~Authorized Agent~~ **authorized agent** to receive postal employee wage garnishment orders under 5 ~~U.S. Code §~~**USC section** 5520a. This federal law supersedes state law with regard to service of garnishment process. Accordingly, regardless of state law, legal process must be sent directly to, or served in person upon, the ~~Authorized Agent~~ **authorized agent** named in these regulations. There will be only one agent for receipt of process for all garnishments of an employee's pay arising under state law. Other Postal Service employees are not authorized to receive process, nor are they permitted to transmit process to the ~~Authorized Agent~~**authorized agent**. [1]

The ~~Authorized Agent~~**authorized agent** for service of EWOT~~'~~s directed to the wages of Postal Service employees and employees of the Postal ~~Rate~~**Regulatory** Commission ~~(employees)~~ is: [2]

> **MANAGER,** PAYROLL ~~BENEFITS~~ **PROCESSING** BRANCH
> ~~INVOLUNTARY DEDUCTIONS UNIT~~
> 2825 LONE OAK PARKWAY
> EAGAN, MN 55121–9650

Service of the EWOT on the ~~Authorized Agent~~**authorized agent** shall be made by certified or registered mail with return receipt requested[3] at the above address.

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[1] **39 CFR section 491.1**
[2] **39 CFR section 491.1, Public Law 109-435 (109th Congress) section 604 (a)**
[3] **39 CFR section 491.2, 5 USC section 5520a (c)**