

**State of California**

**REVENUE AND TAXATION CODE**

**Section 21004**

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21004. (a) The board shall establish the position of the Taxpayers' Rights Advocate. The advocate or his or her designee shall be responsible for coordinating resolution of taxpayer complaints and problems, including any taxpayer complaints regarding unsatisfactory treatment of taxpayers by board employees. The advocate shall report directly to the executive officer of the board.

(b) The advocate or his or her designee shall give highest priority to reviewing and taking prompt and appropriate action, including staying actions where taxpayers have suffered or will suffer irreparable loss as the result of board action. Applicable statutes of limitation shall be tolled during the pendency of a stay. Any penalties and interest which would otherwise accrue shall not be affected by the granting of a stay.

(c) (1) On and after January 1, 2016, the Taxpayers' Rights Advocate, in coordination with the Chief Counsel of the Franchise Tax Board, shall provide relief pursuant to this subdivision and abate any penalties, fees, additions to tax, or interest assessed if it is determined that the penalties, fees, additions to tax, or interest that have been assessed, or any part thereof, is attributable to any of the following:

(A) Erroneous action or erroneous inaction by the board in processing documents filed or payments made by taxpayers.

(B) Unreasonable delay caused by the board.

(C) Erroneous written advice that does not qualify for relief under Section 21012.

(2) Relief shall be granted pursuant to this subdivision only if no significant aspect of that error or delay can be attributed to the taxpayer involved and relief is not available under any other provision of this part, Part 10 (commencing with Section 17001), Part 10.2 (commencing with Section 18401), or Part 11 (commencing with Section 23001), including any relief granted under any regulation or other administrative pronouncement of the board.

(3) (A) (i) Any relief granted pursuant to this subdivision in which the total reduction in penalties, fees, additions to tax, or interest exceeds five hundred dollars (\$500) shall be submitted to the executive officer for concurrence.

(ii) The total relief granted pursuant to this subdivision to a taxpayer with respect to penalties, fees, additions to tax, or interest for a taxable year may not exceed ten thousand dollars (\$10,000).

(iii) Beginning on January 1, 2017, and annually thereafter, the amount specified in clause (ii) shall be recomputed in accordance with subparagraph (B) of paragraph (3) of subdivision (b) of Section 19442, modified by substituting "January 1, 2017" for "January 1, 2004."

(B) Whenever relief is granted under this subdivision, the board itself shall be notified and there shall be placed on file for at least one year in the office of the executive officer of the board a public record with respect to that relief. The public record shall include the following:

- (i) The taxpayer's name.
- (ii) The total amount involved.
- (iii) The amount payable or refundable due to the error or delay.
- (iv) A summary of why the relief is warranted.

(4) A refund may be paid as a result of relief granted under this subdivision only if the applicable statute of limitations, with respect to filing a claim for refund, remains open as of the date that the basis for providing relief, as authorized in subparagraphs (A) to (C), inclusive, of paragraph (1), as determined by the board.

(d) No other entity may participate in the grant or denial of relief pursuant to this section.

(e) Notwithstanding any other law or rule of law, all determinations made under paragraph (1) of subdivision (c) shall not be subject to review in any administrative or judicial proceeding.

(f) (1) The amendments made by Section 1 of Chapter 349 of the Statutes of 2012 shall become operative on January 1, 2013.

(2) The amendments made by the act adding this paragraph shall become operative on January 1, 2016.

(Amended (as amended by Stats. 2012, Ch. 349, Sec. 1) by Stats. 2015, Ch. 541, Sec. 1. (SB 540) Effective January 1, 2016.)