

Taxpayer Transparency and Fairness Act of 2017

Employee Frequently Asked Questions

June 23rd, 2017

This document will be updated frequently with answers to questions received from employees. Please continue to send any additional questions to cdtfa@govops.ca.gov

As passed by the State Legislature, Assembly Bill 102 (Committee on Budget), as of July 1, 2017, would establish the California Department of Tax and Fee Administration (CDTFA, Department) and reorganize the California Board of Equalization (BOE, Board) to guarantee impartiality, equity, and efficiency in tax appeals, protect civil service employees, ensure fair tax collection statewide, preserve the BOE's core mission, and uphold the Taxpayers' Bill of Rights. It will also establish an independent Office of Tax Appeals as a new tax appeals forum.

The California Government Operations Agency (GovOps, Agency) is coordinating the transition of the reorganization of the BOE and the establishment of the Department. A director, chief deputy and chief counsel will be appointed for the new Department by the Governor.

The "Taxpayer Transparency and Fairness Act of 2017" does the following:

- The BOE will retain its constitutional responsibilities, including reviewing, equalizing or adjusting property tax assessments, assessing taxes on insurers, and assessing and collecting excise taxes on alcoholic beverages. The Board will remain independent from any agency.
- The CDTFA will begin effective July 1, 2017. The Department will perform all previous statutory tasks of the Board, and will perform all administrative functions for the Board. CDTFA will report to GovOps.
- The Office of Tax Appeals (OTA, Office) will be created on July 1, 2017 and will begin conducting appeals not covered by the constitutional authority of the Board starting January 1, 2018. OTA will be an independent entity. The new Office will consist of multiple panels of three administrative law judges who will issue decisions in a transparent and timely fashion, rely on well-established precedents in tax law, provide open public access and choice of representation, and build a record that both taxpayers and tax administration agencies can rely upon.

The enrolled version of the text for AB 102 can be read here:

http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB102.

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Governance

- **Will there be organizational changes in the current structure? For example, which department will the Investigations Division in Legal be placed?**
The Administration is still in the process of evaluating current programmatic roles and responsibilities. It is not anticipated that major organizational changes will be made at this time aside from what is stated in the law. Operations will continuously be reviewed as in any other organizational structure in order to determine areas for improvement. Employees serving in state civil service who are engaged in the performance of functions transferred to the CDTFA by the new law will be transferred to the CDTFA.
- **The Board will retain its District Maps and constituencies. Is it expected that the new CDTFA will also be divided by Districts?**
The CDTFA will continue to operate its field offices to serve the taxpayers and conduct the business of the department.
- **Will the State Compliance and Outreach Program (SCOP) be a part of the new Department or stay as part of the Board?**
All constitutionally required functions of the Board will remain with the Board. CDTFA will perform all previous statutory responsibilities of the Board starting July 1, 2017.

Taxpayer and Customer Communications

- **How will taxpayers and other customers be notified of the change?**
Information on the transition, including the name change, will be provided via the website, call center, and other direct means. There should not be any disruption of services.
- **Who should checks be made out to? Will there be a period of time where both the Board and CDTFA will be acceptable? When will checks have to be made out to the new agency name?**
Taxpayers can continue to make payment as they have in the past until further instructed.
- **Will the taxpayers still be able to access the Board's website?**
All information on the current Board website will be retained. Information related to the Department will transition to www.cdtfa.ca.gov.

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- **What happens to all of our forms, publications and other Board branded material?**
Until the Department is able to create new publications, staff should continue to use the resources they have.
- **On Monday, July 3rd, will staff be answering the phone as CA Dept. of Tax and Fee Administration?**
Staff of the new Department can begin to explain the changes to the public on July 1. Additional guidance for staff taking in calls from the public will be forthcoming on or by July 1st.

Personnel and Labor Relations

- **Will the transition to the new Department have any effect on probationary periods? Will the impacts be the same for managers and supervisors as those in rank and file?**
In proposed Government Code section 15570.26(a) of Assembly Bill 102, it states “all employees serving in state civil service, including temporary employees, who are engaged in the performance of functions transferred to the department pursuant to Section 15570.22 are transferred to the department. The status, positions, and rights of those persons shall not be affected by their transfer and shall continue to be retained by them pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5).”
- **Are we protected from Furloughs in this Department at this time?**
There are no plans to furlough employees.
- **Will current employees be allowed to apply for promotional opportunities within CDTFA? Regarding promotions and promotions in place, will promotions lists continue?**
Future hiring decisions within the California Department of Tax and Fee Administration will be made by the Director of the Department. The Administration will continue to use existing exams, hiring lists, and promotional lists where appropriate.
- **Will those in CEA positions be retained in those positions, or is there a plan to re-evaluate the current CEA positions at the BOE?**
CEAs are civil service positions. In proposed Government Code section 15570.26(a) of AB 102, it states “all employees serving in state civil service, including temporary employees, who are engaged in the performance of functions transferred to the

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- **Are there plans to appoint or promote current appeals attorneys for an ALJ position?**

Individuals who wish to apply for the ALJ positions in the Office of Tax Appeals may take the ALJ civil service exam and apply for any vacancies in the new Office.

- **Will there be changes to Human Resources operations?**

In proposed Government Code section 15570.28 of AB 102, it states the “department shall provide the board with administrative and personnel services.” There are no changes being made in human resources.

- **Will there be any changes to our benefits?**

No, all provisions of your current Memorandum of Understanding (MOU) remain in full force. For non-represented employees, there will be no changes to benefits either.

- **Per certain MOUs we are supposed to receive raises in July, does anything change?**

All terms and conditions of employment previously negotiated by your bargaining unit will remain intact.

Legal, Tax Appeals, and Regulations

- **The Board currently reviews appeals from the Franchise Tax Board pursuant to statutory authority and as outlined in Chapter 4 of our Rules for Tax Appeals. As of January 1, 2018, when the Office of Tax Appeals takes over the appeals hearings duties, will the CDTFA still review appeals from the FTB in any aspect, and, if so, to what extent?**

The Board will continue to hear all appeals calendared and decided prior to January 1, 2018. On or after January 1, 2018, the OTA will hear all appeals related to taxes and fees, except that the BOE will continue to hear appeals related to its constitutional authorities, namely as they pertain to property taxes, taxes on insurers, and excise taxes on alcoholic beverages.

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- **Attorneys and auditors in the Business Tax Section of the Legal Department's Appeals Division hold informal conferences and issue Decisions and Recommendations that make findings of fact and recommend legally correct resolutions for tax appeals. Will they continue to perform these functions on appeals not within the Board's limited jurisdiction after January 1, 2018?**

All existing processes and remedies available to a taxpayer or fee payer, such as settlement options, will remain the same. Duties and responsibilities that do not support the constitutional functions of the Board will be transferred to the new CDTFA.

Technology

- **Will the changes that will be taken place with the Board have any effect or bearing on the implementation of the CROS system?**

It is expected that the CROS system will continue to function as originally intended. Assessments will be conducted during the transition to determine if any changes need to be made.

- **What will happen to my email address?**

If you move to the new Department, you can continue to be reached at your current email address in addition to your.name@cdtfa.ca.gov. Your email is expected to officially change in the future. However, there will be plenty of notice given before this change takes place.

- **Will the employees still be able to use eBOE?**

All new Department employees will still have access to the intranet site. Information accessible by the Board and its staff will be limited to reflect their constitutional responsibilities as of July 1, 2017.

Facilities

- **Will we be moving out of the BOE building?**

CDTFA will remain as the primary tenant in the 450 N Street building in downtown Sacramento. Any staff movements will be noticed well in advance, pursuant to state civil service rules and requirements.

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- **What will happen to the District Offices?**

In proposed Government Code section 15600(e) of AB 102, it states “Each member of the board elected by the voters of an equalization district shall have only one office in Sacramento and one district office.” Existing offices with auditors, collectors, investigators, and administrative staff will remain open under the Department.

- **What will happen to the offices located out of California?**

The offices in Chicago, Houston, and New York will remain open and at their current locations.