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) 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 revise the following sections of Chapter 7 of the CPPM:

- Sections 732.115 to incorporate current policies and procedures for requesting a successor billing.
- Sections 753.200, 757.065, 757.066, and 761.050 to remove references to the obsolete Automated Collection Management System (ACMS).

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. Your comments or suggestions must be received by the CDTFA no later than August 8, 2022, to be considered. Thank you for your consideration.

Sincerely,

Aimee Olhiser, Chief
Tax Policy Bureau
Business Tax and Fee Division
REQUESTING A SUCCESSOR BILLING

All requests for successor billings are made through the system using a CDTFA-200–A. The CDTFA–200–A is sent to CSB along with copies of the supporting documentation and a separate memo that describes the reason for the request and basis for the assessment. The memo may also contain observations from field calls and other information developed from personal contacts.

To request a successor billing, the collector must:

1. Gather evidence of a successor liability
   a. Purchase price
   b. Sale date
   c. Description of assets purchased, including business locations purchased
   d. Description of the type of consideration if the consideration was other than money
   e. Bill of sale signed by both buyer and seller, if available
   f. Proof of assumption of liability where applicable
   g. Other evidence to support the sale of the business

2. Create a Dual/Secondary Billing case, and select the Collection Type “Successor” (see “Adding a Dual Determination Billing” in the system’s Help Manager)

3. Complete and attach a CDTFA-1512, Dual Liability Billing Worksheet to the case

4. Create a memo containing the facts supporting the successor billing, including supporting documents as exhibits

5. Attach the memo and exhibits to the successor case as a Dual Packet

6. Forward the case to their supervisor for approval

If approved, the case will be staged for CSB approval (the supervisor will remove the name of the collector from the case so that it is unassigned when going to the CSB queue).

If approved, CSB will issue the successor billing by preparing a CDTFA-1266-A and will forward a copy to and will notify the Petitions Section of the billing by email if the predecessor liability is in petitions status.

LEVY POLICY

***Staff Note***

[The entire section is not included here as the only change is removal of ACMS processes.]

Levies, whether generated automatically or manually, will be printed and mailed from Headquarters and do not require a wet signature. However, manually created levies can be printed locally. For accounts managed under ACMS, the levy will always be printed and mailed from the originating office.

UNITED STATES COAST GUARDS LIENS

***Staff Note***

[The entire section is not included here as the only change is removal of ACMS processes.]

When requesting a USCG lien, the collector will add a work item for CSB and assign it to their supervisor for approval. The supervisor must add an approval note to the work item
and then unassign it so the work item will be routed to the appropriate CSB work queue. For accounts managed under ACMS, requests should be sent to the CSB on a CDTFA-426–CG, Notice of State Tax Lien for U.S. Coast Guard, because it contains the declaration required under U.S. Code Title 46. Under this section, the Under U.S. Code Title 46, CDTFA is required to include a signed declaration that contains with the taxpayer’s name and account number, vessel name and documentation number, and the lien holder or mortgagee’s name(s) and address(es) with the USCG lien request. The declaration and lien must be signed by the same person. Section 31343 also requires the CDTFA to mail copies of the signed declaration and the lien document to each lien holder and mortgagee that has been identified. The collector must enter comments notes in the system when the copies have been sent.

**REVOCABLE TRUST LIENS**

A settlor (also known as a “donor” or “trustor”) is one who creates a trust by giving real or personal property “in trust” to another (the trustee) for the benefit of a third person (the beneficiary).

Assets of a revocable trust are subject to the claims of creditors of the settlor(s) of the trust, during the settlor(s) lifetime. Conversely, the settlor of a revocable trust is liable for the debts of his or her revocable trust.

A Notice of State Tax Lien against a revocable trust should contain the name of the living settlor(s). A Notice of State Tax Lien against a settlor should contain the name of the trust. To request a lien against the revocable trust or a settlor, the collector sends will add a work item for CSB and assign it to their supervisor for approval. The work item must include the settlor(s) name and current address, and documentation that the trust is revocable. The supervisor must add an approval note to the work item and then unassign it so the work item will be routed to the appropriate CSB work queue. For accounts managed under ACMS, requests should be forwarded to the CSB on a CDTFA–200–A, Special Operations Action Request. The collector will check the box labeled “Other Requests,” and must provide the settlor(s) name and current address, and documentation that the trust is revocable. The collector must enter notes in the system after supervisory approval.

**RELEASE OF LIENS ACQUIRED THROUGH ERRONEOUS RECORDING ERRONEOUSLY RECORDED**

If a lien is determined to have been recorded in error was erroneously recorded, the collector must immediately notify the CSB by adding an CSB by adding a CSB – Miscellaneous Lien Request work item or by sending a CDTFA–200–A, Special Operations Action Request, for taxpayer accounts in ACMS/IRIS from the Customer springboard. The notes should clearly request a free release of lien, explain that why the lien was recorded in error, and include all related details. All relevant documentation should be added as an attachment in the system or included with the CDTFA-200-A request. If the request is urgent, the collector must immediately inform the CSB of the new work item or CDTFA-200-A by sending an email to the CSB inbox at LegalCSB@cdtfa.ca.gov.