

OFFICE OF TAX APPEALS RULES FOR TAX APPEALS

Proposed Text of California Code of Regulations, Title 18.
Division 4. Office of Tax Appeals – Rules for Tax Appeals

CHAPTER 1. Jurisdiction, Definitions, and General Applicability

ARTICLE 1. APPLICATION OF DIVISION 4, DEFINITIONS, AND JURISDICTION

30101. APPLICATION OF DIVISION 4

Division 4, Rules for Tax Appeals, applies to appeals and petitions for rehearing submitted to or subject to the jurisdiction of the Office of Tax Appeals pursuant to:

- (a) The Administration of Franchise and Income Tax Laws (part 10.2 of division 2 of the Revenue and Taxation Code).
- (b) Part 9.5 of division 3 of title 2 of the Government Code.
- (c) An appeal of a tax or fee program administered by CDTFA. For purposes of this subdivision, a tax or fee program administered by CDTFA includes, but is not limited to:
 - (1) Cannabis Tax (part 14.5 of division 2 of the Revenue and Taxation Code).
 - (2) Cigarette and Tobacco Products Tax Law (part 13 of division 2 of the Revenue and Taxation Code).
 - (3) Cigarette and Tobacco Products Licensing Act (division 8.6 of the Business and Professions Code).
 - (4) Diesel Fuel Tax Law (part 31 of division 2 of the Revenue and Taxation Code).
 - (5) Emergency Telephone Users Surcharge Law (part 20 of division 2 of the Revenue and Taxation Code).
 - (6) Energy Resources Surcharge Law (part 19 of division 2 of the Revenue and Taxation Code).
 - (7) Hazardous Substances Tax Law, which is also applicable to the Childhood Lead Poisoning Prevention Fee and Occupational Lead Poisoning Prevention Fee (part 22 of division 2 of the Revenue and Taxation Code).
 - (8) Integrated Waste Management Fee Law (part 23 of division 2 of the Revenue and Taxation Code).

- (9) Lead-Acid Battery Recycling Act (art. 10.5 of chapter 6.5 of the Health & Safety Code).
- (10) Motor Vehicle Fuel Tax Law (part 2 of division 2 of the Revenue and Taxation Code).
- (11) Oil Spill Response, Prevention, and Administration Fees Law (part 24 of division 2 of the Revenue and Taxation Code).
- (12) Organizational Clearance Certificates (Revenue and Taxation Code, sections 214-214.17, 254.6, 271).
- (13) Sales and Use Tax Law (part 1 of division 2 of the Revenue and Taxation Code).
- (14) Transactions and Use Tax Law and Additional Local Taxes (parts 1.6 and part 1.7 of division 2 of the Revenue and Taxation Code).
- (15) Underground Storage Tank Maintenance Fee Law (part 26 of division 2 of the Revenue and Taxation Code).
- (16) Uniform Local Sales and Use Tax Law (part 1.5 of division 2 of the Revenue and Taxation Code).
- (17) Use Fuel Tax Law (part 3 of division 2 of the Revenue and Taxation Code).
- (18) Taxes and fees collected pursuant to the Fee Collection Procedures Law, including those specified in California Code of Regulations, title 18, section 3500 (part 30 of division 2 of the Revenue and Taxation Code).

30102. **DEFINITIONS**

Unless the context or subject matter otherwise requires, the following definitions apply to these regulations:

- (a) **“Agency”** refers to the governmental agency that took the action from which an appellant appeals, including the California Franchise Tax Board and the California Department of Tax and Fee Administration.
- (b) **“ALJ”** means an administrative law judge.
- (c) **“Appeals Bureau”** refers to the bureau within the California Department of Tax and Fee Administration that issues the final written decision of that Agency regarding an appeal.
- (d) **“Appeals Bureau Decision”** means any final written decision, including a supplemental decision issued by the California Department of Tax and Fee Administration’s Appeals Bureau. The Appeals Bureau decision is issued on the date it is mailed to the parties, except where the decision remands the appeal for reaudit. For purposes of this chapter, where the Appeals Bureau decision remands the appeal for reaudit, the Appeals Bureau

decision is issued on the date on which the Appeals Bureau mails a letter to the parties explaining the results of the reaudit.

- (e) **“Brief”** means a written document containing an argument or arguments supporting a party’s position. A brief may, but is not required to, include citations to specific laws, regulations, or other authorities. A brief may be in the form of a letter, other informal writing, or formal legal writing. Briefs are subject to the requirements in these regulations.
- (f) **“CDTFA”** means the California Department of Tax and Fee Administration.
- (g) **“FTB”** means the California Franchise Tax Board.
- (h) **“Lead ALJ”** means the ALJ that has been designated by OTA to govern the conduct of the hearing before an ALJ Panel.
- (i) **“Local Entity”** means, except where context requires otherwise, any city; county; city and county; special district or other local jurisdiction that has adopted a local or district tax; or a notified local jurisdiction or notified district as those terms are defined by California Code of Regulations, title 18, sections 1807 and/or 1828.
- (j) **“Local or district tax”** means a local sales and use tax adopted pursuant to Revenue and Taxation Code section 7200 et seq., 7251 et seq. or 7285 et seq.
- (k) **“Mail”** includes mail sent through the United States Postal Service or other carriers, or sent by electronic transmission such as facsimile. Hard copy mail sent to the Office of Tax Appeals through the United States Postal Service or other carriers must be addressed to:

Office of Tax Appeals
P.O. Box 989880
West Sacramento, CA 95798-9880.

Email sent to the Office of Tax Appeals must be sent to the address listed on its website at www.ota.ca.gov, or as otherwise instructed by the Office of Tax Appeals.

- (l) **“OTA”** means the Office of Tax Appeals.
- (m) **“Panel”** means a group of three OTA administrative law judges who are assigned to a case.
- (n) **“Record”** refers to the complete administrative record in an appeal, and shall include, but not be limited to, any pleadings, motions, notices, orders, written decisions, testimony, admitted evidence, transcriptions of all recorded proceedings, and other written communication addressing substantive issues pertinent to the case. The record shall not include any evidence that a party has withdrawn, and such withdrawal has been approved by the Lead ALJ.

- (o) **“Representative”** means any person who is at least 18 years of age that the appellant has chosen to represent the appellant before OTA.
- (p) **“Submission Date”** is the date upon which a Panel stops receiving any further evidence, arguments or testimony in a matter, and the appeal proceeding is submitted for a written decision. The determination of the submission date is at the discretion of the Panel, and the record in an appeal proceeding can be re-opened at the Panel’s discretion.
- (q) **“Written record”** refers to the record that a Panel may consider in reaching a determination when the appellant has declined an oral hearing pursuant to section 30404, and includes but is not limited to the following:
 - (1) the statements and arguments in the briefs and other documents filed with OTA;
 - (2) motions;
 - (3) notices and orders issued by the Agency as long as they were attached to any brief or provided to all parties and to OTA;
 - (4) notices and orders issued by OTA;
 - (5) all exhibits that were not opposed by the other party, and any exhibits the Panel may include over the objection of a party;
 - (6) declarations made under penalty of perjury;
 - (7) facts taken by official notice; and
 - (8) any other relevant evidence that a Panel determines to be the sort of evidence responsible persons are accustomed to rely on in the conduct of serious affairs.

The written record shall not include any evidence that a party has withdrawn, if such withdrawal is approved by the Lead ALJ, nor any document to which an objection has been raised and sustained by the Panel.

30103. **JURISDICTION**

- (a) **Appeals from the Franchise Tax Board.** In general, OTA has jurisdiction to hear and decide an appeal that has been timely submitted pursuant to these regulations and where any of the following circumstances apply:
 - (1) FTB mails a notice of action on a proposed deficiency assessment of additional tax, which may also include penalties, fees, and interest.
 - (2) FTB mails a notice of action on a proposed carryover adjustment.
 - (3) FTB mails a notice of action on cancellation, credit, or refund, or any other notice which denies any portion of a perfected claim for a refund of tax, penalties, fees, or

interest.

- (4) FTB fails to act on a claim for a refund of tax, penalties, fees, or interest within six months after the claim is filed with FTB.
 - (5) FTB mails a notice of determination not to abate interest, or any other notice, that denies an abatement, in whole or in part, of paid or unpaid interest, under Revenue and Taxation Code section 19104.
 - (6) FTB fails to act on a request for abatement of interest within six months after the request is submitted with FTB under Revenue and Taxation Code section 19104. This paragraph does not apply to requests for interest abatement made in connection with a protest or an appeal from a notice of action on a protest.
 - (7) FTB mails a notice that disallows interest on a refund.
 - (8) FTB mails any notice that grants or denies, in whole or in part, innocent spouse relief under Revenue and Taxation Code sections 18533, subdivisions (b), (c), (f) or (i), or 19006, subdivision (c).
 - (9) FTB mails a notice of determination, or fails to act within 90 days, on a petition for review of FTB's finding of jeopardy.
 - (10) FTB mails any notice that denies, in whole or in part, a claim for assistance under the Senior Citizens Homeowners and Renters Property Tax Assistance Law.
- (b) **Appeals from a CDTFB Appeals Bureau decision.** In general, OTA has jurisdiction to hear and decide an appeal that has been timely submitted pursuant to these regulations and where any of the following circumstances apply:
- (1) An Appeals Bureau decision is adverse to the taxpayer or other state agency, in whole or in part.
 - (2) A local entity is a party to a petition for redistribution of local or district tax and the Appeals Bureau decision is adverse to that local entity, in whole or in part.
 - (3) A state agency other than CDTFB is a party to a taxpayer's appeal and the Appeals Bureau decision is adverse to that other state agency.

30104. **LIMITATIONS ON JURISDICTION**

OTA does not have jurisdiction to consider the following issues:

- (a) Whether a California statute is invalid or unenforceable under the United States or California Constitutions, unless a federal or California appellate court already has made such a determination.

- (b) Whether a provision of the California Constitution is invalid or unenforceable under the United States Constitution, unless a federal or California appellate court already has made such a determination.
- (c) Whether FTB or CDTFA violated the Information Practices Act (Civil Code sections 1798 et seq.), the Public Records Act (Government Code sections 6250 et seq.), or any similar provision of the law.
- (d) Whether the appellant is entitled to a remedy for FTB's actual or alleged violation of any substantive or procedural right, unless the violation affects the adequacy of a notice, the validity of an action from which a timely appeal was made, or the amount at issue in the appeal.
- (e) An appeal from an FTB notice of proposed assessment or notice of proposed overassessment.
- (f) Where an action or decision of another state or local agency is not subject to review by FTB or CDTFA.
- (g) Where an action of CDTFA, a petition for redistribution of local tax or district tax, or an action or decision of another state agency is subject to CDTFA review, and the Appeals Bureau decision has not yet been issued.

30105. QUESTIONS OF JURISDICTION AND TIMELINESS

- (a) OTA may request additional information and briefing from the parties with regard to the appeal, including any issues related to jurisdiction or timeliness.
- (b) If OTA accepts the appeal and does not raise any issues with regard to jurisdiction or timeliness, any such issues may be raised and addressed in briefing and if raised, will be determined by an assigned Panel as part of the Panel's decision on the appeal.
- (c) If OTA raises an issue with regard to the timeliness of the appeal or OTA's jurisdiction to hear the appeal, the appeal may be assigned to a Panel. The Panel may:
 - (1) rule on such issues before it receives briefing pursuant to the general briefing schedule;
 - (2) request further information or briefing on such issues;
 - (3) direct that any such jurisdictional or timeliness issues should be addressed by the parties in briefs submitted pursuant to the general briefing schedule; or
 - (4) take other action as it deems appropriate to determine such issues.

30106. JURISDICTION OVER TRANSITIONING APPEALS

- (a) As of January 1, 2018, OTA has jurisdiction over any appeal which was heard by the State Board of Equalization but for which the State Board of Equalization either failed to issue a decision before January 1, 2018 or issued a decision that was not final before January 1, 2018.
- (b) Where the State Board of Equalization issued a decision in an appeal that was not final before January 1, 2018, and for which a party filed a timely petition for rehearing with the State Board of Equalization pursuant to California Code of Regulations, title 18, section 5561, before January 1, 2018, OTA will treat that petition as a petition for rehearing under Chapter 6. Where the State Board of Equalization issued a decision for an appeal that was not final before January 1, 2018, any party may submit a petition for rehearing to OTA pursuant to these regulations before the decision becomes final.
- (c) If, prior to January 1, 2018, the State Board of Equalization has, in writing, established a briefing schedule providing for briefing to be submitted on or after January 1, 2018, that briefing schedule will remain applicable to the appeal unless otherwise directed by OTA. When a brief submitted pursuant to this subdivision is acknowledged by OTA, OTA's acknowledgment of the brief will inform the parties whether OTA requests further briefing, and if so, the contents and due dates of such additional briefs. This subdivision does not foreclose subsequent requests for additional briefing pursuant to these regulations.
- (d) All other appeals for which CDTFA Appeals Bureau had issued its decision and a party had made a timely request for an oral hearing prior to January 1, 2018, are subject to the provisions of this chapter. OTA will notify the parties to each of those appeals as to the next step in their respective appeals.

CHAPTER 2. Appeal Requirements and Procedures

ARTICLE 1. FILING AN APPEAL

30201. APPEAL FILING REQUIREMENTS

- (a) Every appeal from an action of the Franchise Tax Board or CDTFA must be in writing, whether written by hand or typed, and may use ordinary and informal language. The appeal must adhere to the length limitations and other requirements of regulation 30302 subdivision (d), and must contain the following:
 - (1) The name, address, and telephone number of each appellant submitting the appeal, and, if applicable, the name, address, and telephone number of each appellant's authorized representative;
 - (2) The facts involved and the specific reasons for the appellant's position;
 - (3) If applicable, the appeal should include any legal authorities upon which the appellant relies, such as statutes, regulations, and judicial and administrative decisions;

- (4) The amount at issue or an estimate of the amount at issue, if known, and any amount conceded, or an estimate of the amount conceded by the appellant;
- (5) The signature of the party seeking an appeal or that party's authorized representative.
- (6) In addition, every appeal from an action of the Franchise Tax Board must contain:
 - (A) The social security number or taxpayer identification number, whichever is applicable, of each appellant submitting the appeal;
 - (B) The year(s) involved;
 - (C) A copy of FTB's notice from which the appeal is made, unless FTB has failed to act on a claim for refund or a request for interest abatement, in which case the appellant must provide a copy of the claim for refund or request for interest abatement.
- (7) In addition, every appeal from an action of CDTFA must contain:
 - (A) CDTFA account number of each appellant, and CDTFA Appeals Bureau case identification number(s) assigned by CDTFA Appeals Bureau to the appeal;
 - (B) The date of CDTFA Appeals Bureau decision for which an appeal is requested;
 - (C) A copy of the Appeals Bureau decision from which the appeal is being made.

**30202. METHODS FOR DELIVERY OF WRITTEN DOCUMENTS
AND CORRESPONDENCE**

- (a) Appeals, petitions for rehearing, briefs, and related documents and correspondence may be mailed to the address below or submitted electronically pursuant to this section if an electronic copy of such document is transmitted to OTA at the email address or fax number provided below or in accordance with instructions provided on OTA's website at www.ota.ca.gov. OTA may allow other methods of electronic delivery in which case it will provide instructions for such methods on its website. Regardless of how a submission is delivered, the submitting party should retain a copy of the submission and evidence showing the date of the delivery such as proof of mailing or a facsimile confirmation page.

P.O. Box 989880
West Sacramento CA 95798-9880
facsimile: (916) 492-2089

- (b) Appeals, petitions for rehearing, briefs, and related documents and correspondence may be hand delivered to OTA as specified on its website, provided that the party submitting the document(s) obtains and retains a receipt to confirm the delivery.
- (c) When this chapter requires a written notification or written acknowledgement to one or more parties during the course of an appeal, mail, as defined in section 30102(i), will be used.

30203. TIME FOR SUBMITTING AN APPEAL

- (a) **Appeals from actions of FTB.** An appeal is timely if it is mailed to or received by OTA within the applicable time period specified in the Revenue and Taxation Code. The Revenue and Taxation Code requires that any appeal must be submitted:
 - (1) Not later than the later of: (A) 30 days from the date FTB mails a notice of action upon the protest of an unpaid assessment, or (B) the date indicated on the notice as the deadline for submitting an appeal.
 - (2) Not later than the later of: (A) 30 days from the date FTB mails a notice of action affirming a proposed carryover adjustment, (B) the date indicated on the notice as the deadline for submitting an appeal, or (C) at any time, if FTB failed to act on a claim for a refund of tax, penalties, fees, or interest within six months after the claim was filed (except as provided in subparagraph (3)).
 - (3) Not later than 90 days from the date FTB mails a notice of action on cancellation, credit, or refund, or any other notice, that denies a claim for a refund of tax, penalties, fees, or interest.
 - (4) Not later than 30 days from the date FTB mails a notice of determination not to abate interest, or any other notice, that specifically denies the abatement of unpaid interest.
 - (5) Not later than 90 days from the date FTB mails a notice of determination not to abate interest, or any other notice, that specifically denies the abatement of paid interest.
 - (6) At any time, if FTB failed to act on a request to abate interest within six months after the request was submitted. However, if FTB denies a request to abate interest in writing, the appeal must be submitted within the time period specified in paragraph (4) in the case of unpaid interest, or within the time period specified in paragraph (5) in the case of paid interest.

- (7) Not later than 90 days from the date FTB mails a notice that disallows interest on a refund.
 - (8) Not later than 30 days from the date FTB mails any notice that grants or denies, in whole or in part, innocent spouse relief.
 - (9) Not later than 60 days from the earlier of: (A) the date FTB mails a notice of its determination on a petition for review of a finding of jeopardy, or (B) the 91st day after a petition for review of a finding of jeopardy was submitted with FTB.
 - (10) Not later than 90 days from the date FTB mails any notice that denies, in whole or in part, a claim for homeowners' or renters' property tax assistance.
- (b) **Appeals from the Actions of CDTFA.** If an appeal is from an adverse CDTFA Appeals Bureau decision the following timelines apply:
- (1) Where a decision of CDTFA Appeals Bureau is adverse to the taxpayer or to another state agency, in whole or in part, the taxpayer or other state agency may file an appeal to OTA no later than 30 days from the date CDTFA Appeals Bureau decision is issued.
 - (2) **Appeal in Petition for Redistribution.** Where local entity is a party to a petition for redistribution of local or district tax and CDTFA Appeals Bureau decision is adverse to that local entity, in whole or in part, the local entity may appeal to OTA no later than 60 days from the date CDTFA Appeals Bureau decision is issued.
 - (3) If CDTFA Appeals Bureau issues a revised or supplemental decision during the period within which an appeal could otherwise be filed, or notifies the parties in writing of its intent to do so, the time for filing an appeal will be extended to 30 days following the issuance of such revised or supplemental decision in an appeal from an action of CDTFA, and extended to 60 days following the issuance of such revised or supplemental decision in a petition for redistribution appeal.
 - (4) If a party timely files with CDTFA Appeals Bureau a request for reconsideration of an Appeals Bureau decision, the appeal before OTA will be held in abeyance pending CDTFA Appeals Bureau's resolution of the request for reconsideration or appellant's withdrawal of the request for reconsideration. The time for filing an appeal from an adverse CDTFA Appeals Bureau decision will be extended to 30 days after CDTFA Appeals Bureau either issues a revised or supplemental decision in response to the request for reconsideration or notifies the party in writing that the request for reconsideration is not accepted. If a party files a request for reconsideration with CDTFA, the appeal will be deferred until the request for reconsideration is denied, resolved or withdrawn by the party.
- (c) **Extensions.** Unless a statute or regulation provides otherwise, the deadlines for submitting an appeal via mail are extended, pursuant to Code of Civil Procedure

section 1013, as follows:

- (1) Five days, if the notice or decision being appealed was mailed to an address within California;
 - (2) Ten days, if the notice or decision being appealed was mailed to an address outside California, but within the United States; or
 - (3) Twenty days, if the notice or decision being appealed was mailed to an address outside the United States.
- (d) **Date of Mailing.** Generally, in the absence of other evidence, the submission date is the post-mark date or the date of delivery to a delivery service where the submission was properly addressed with the postage paid, or the date of receipt if the document is submitted electronically. If the last day for mailing or delivering an appeal falls on a Saturday, Sunday or holiday, then the submission deadline is extended to the next business day.
- (e) **Appeals filed with other agencies.** On and after January 1, 2018, appeals must be submitted to OTA as set forth in this section. Notwithstanding this requirement, if an appeal or petition for rehearing should have been filed with OTA but is timely submitted to the State Board of Equalization or the California Department of Tax and Fee Administration, and it is received by OTA within sixty days of its submission, OTA may deem it to have been timely submitted to OTA if the error in submission was a good faith error and acceptance of the appeal or petition for rehearing will not interfere with the administration of tax.

30204. ACCEPTING AN APPEAL

- (a) **Acknowledgment of Appeal.** Where OTA receives a timely appeal, OTA will mail an acknowledgement of receipt of an accepted appeal to each party to the appeal in a timely manner.
- (b) Where the appeal is a petition for redistribution of local or district tax, in addition to mailing a written acknowledgement of the appeal to the appellant and to CDTFA, OTA will mail a copy of the acknowledgement to the taxpayer whose allocations are the subject of the petition, and will inform the taxpayer that it will not be regarded as a party to the appeal unless it chooses to actively participate in the appeal process by either submitting a brief to OTA or requesting to make a presentation at a hearing before OTA.

30205. PERFECTING AN APPEAL

- (a) **Generally.** For purposes of this chapter, OTA will accept an appeal as valid if it contains substantially all of the information required by regulation 30201, and OTA can identify the appeal and the contact information for the party or the party's representative

along with the signature of each appellant or authorized representative.

- (b) **Time to Perfect the Appeal.** If an appeal is not perfected, OTA will notify all parties in writing that the information received by OTA is insufficient to be accepted as a valid appeal, and what additional information is necessary to perfect the appeal, and will provide 30 days for the appellant to complete its filing of the appeal.
- (1) The appellant must complete its filing of the appeal not later than 30 days from the date of the notice. However, OTA may extend the time period for perfection for reasonable cause. All parties will be notified in writing of any extension.
 - (2) If the party submits the required information within the 30-day period, OTA will accept the appeal.
 - (3) If the taxpayer fails to perfect the appeal within the 30-day period, or within any extension period granted, the appeal may be dismissed. All parties will be notified in writing of the dismissal.

30206. SUBMISSION FOR DECISION WITHOUT ORAL HEARING

- (a) **Generally.** If the appellant does not request an oral hearing under regulation 30401, or if the appellant does not timely respond to a notice of oral hearing, appellant waives its right to an oral hearing and the appeal will be submitted for decision based upon the written record and without an oral hearing.
- (b) **Innocent Spouse Appeals.** If neither the appealing spouse nor the non-appealing spouse request an oral hearing, or neither spouse responds to a notice of oral hearing, the appeal will be submitted for decision based upon the written record and without an oral hearing.

ARTICLE 2. APPEAL PROCEDURES

30210. CONFERENCES

- (a) **Generally.** Either OTA or a party to an appeal may request a pre-hearing or post-hearing conference. OTA will determine whether any conference is necessary, and the order, deadlines, and conditions of any conference. A conference may be requested at any time in the appeal process and may be requested regardless of whether an oral hearing has been requested. A pre-hearing or post-hearing conference may be conducted by an administrative law judge serving on the Panel assigned to an appeal. Other conferences may be conducted by an OTA attorney. Unless otherwise directed by OTA, all conferences will be informal in nature and will not be recorded.
- (b) **Requests by a Party to an Appeal.** Any party may request a conference. Any such request should be made in writing and should copy the other party to the appeal.
- (c) **Location of Conference.** Conferences generally will be held telephonically,

electronically or in person at an office of OTA in the county of Sacramento, Los Angeles, or Fresno. Conferences may be held by telephone or other electronic means if each participant in the conference has an opportunity to participate in and to understand the entire proceeding while it is taking place.

- (d) **Notice and Scheduling.** OTA will consult with the parties with regard to the scheduling of any conference and will provide reasonable written notice to the parties of the time and location of the conference.
- (e) **Matters to be Covered.** A conference may deal with one or more of the following matters:
 - (1) clarification and discussion of issues or facts;
 - (2) evidence and witnesses, and any objections to the admission of evidence or witnesses;
 - (3) schedules for the submission of any additional briefs or evidence, and schedules for the commencement and conduct of any oral hearing; and
 - (4) any other matters as may promote the fair, objective and timely resolution of the appeal.
- (f) **Additional Evidence.** Unless otherwise directed by OTA, if any party anticipates providing new evidence for discussion at the conference, such evidence should be provided to OTA, with a copy to the other party or parties to the appeal, no later than three business days prior to the conference.

30211. REPRESENTATION

- (a) **Representation.** A taxpayer (an individual or entity) may be represented in an appeal by any authorized person or persons, at least 18 years of age. For purposes of this section, a person whose only function is to interpret for the taxpayer is not a representative.
- (b) **Recognition.** OTA will recognize all authorized representatives who are identified in writing or orally by the taxpayer. Authorized representatives shall be permitted to receive confidential information relating to the taxpayer they represent, and to perform on behalf of the taxpayer acts that the taxpayer may perform in connection with an appeal before OTA.
- (c) **Substitution or Withdrawal.** Parties must promptly notify OTA in writing of any substitutions or withdrawals of representation and must also notify the opposing party.
- (d) **Suspended or Disbarred Representatives.** A person suspended or disbarred from practice before FTB pursuant to Revenue and Taxation Code section 19523.5 may not

represent any taxpayer in an appeal after OTA receives notice of the suspension or disbarment.

30212. **CONSOLIDATION AND DECONSOLIDATION**

- (a) On the motion of a party or upon its own initiative, OTA may consolidate appeals for hearing or decision if the facts and issues are similar and no substantial right of any party will be prejudiced. OTA will promptly notify the parties if an appeal is consolidated.
- (b) Any party may submit a written objection to consolidation. Any such objection should be submitted within 15 days of the party receiving notice of the request for consolidation and should establish that consolidation would have an adverse effect on a substantial right of the objecting party.
- (c) On the motion of a party or upon its own initiative, OTA may deconsolidate appeals if it determines that consolidation would have an adverse effect on a substantial right of any party or if other reasonable cause exists to deconsolidate the appeals.

30213. **ORDERS**

OTA may issue orders to the parties in order to facilitate the fair and orderly resolution of appeals. Orders may be enforced under the provisions of Government Code sections 11455.10 through 11455.30.

30214. **DISCOVERY; REQUEST FOR EVIDENCE**

- (a) **Generally.** The provisions of this section provide the exclusive right to and method of discovery as to any proceeding governed by these regulations. OTA expects that parties appearing before it will cooperatively engage in informal discovery prior to requesting OTA involvement in the discovery process. Prior to use of any process covered by this section a party must show that it has attempted informal discovery.
- (b) After initiation of a proceeding in which a party is entitled to a hearing on the merits, a party, upon written request made to OTA, prior to the hearing and within 30 days after submitting its opening brief or within 15 days after the submission of any other briefing, is entitled to obtain the names and addresses of witnesses to the extent known to the other party, including, but not limited to, those intended to be called to testify at the hearing, and inspect and make a copy of any of the following in the possession or custody or under the control of the other party:
 - (1) A statement of a person, other than the respondent, named in the initial administrative pleading, or in any additional pleading, when it is claimed that the act or omission of the respondent as to this person is the basis for the administrative proceeding;

- (2) A statement pertaining to the subject matter of the proceeding made by any party to another party or person;
 - (3) Statements of witnesses then proposed to be called by the party and of other persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, not included in (a) or (b) above;
 - (4) All writing or things which are relevant and which would be admissible in evidence;
 - (5) Investigative reports made by or on behalf of the agency or other party pertaining to the subject matter of the proceeding, to the extent that these reports (1) contain the names and addresses of witnesses or of persons having personal knowledge of the acts, omissions or events which are the basis for the proceeding, or (2) reflect matters perceived by the investigator in the course of his or her investigation, or (3) contain or include by attachment any statement or writing described in (a) to (e), inclusive, or summary thereof.
- (c) For the purpose of this section, “statements” include written statements by the person signed or otherwise authenticated by him or her, stenographic, mechanical, electrical or other recordings, or transcripts thereof, of oral statements by the person, and written reports or summaries of these oral statements.
- (d) Nothing in this section shall authorize the inspection or copying of any writing or thing which is privileged from disclosure by law or otherwise made confidential or protected as the attorney’s work product.
- (e) OTA shall allow for subpoenas in accordance with the provisions of Government Code sections 11450.05 through 11450.50.
- (f) OTA expects the parties to cooperatively exchange requested information that is relevant to an appeal. In considering discovery requests, OTA will strive to provide an informal and efficient administrative process, and will consider the burden imposed on other parties, the risk of delay, the likelihood that relevant information may be obtained, the materiality of the information sought to the issues in dispute, and any other factors relevant to the conduct of a fair and efficient appeal process.
- (1) If in its discretion, OTA determines that the requested discovery made pursuant to this section is proper it will serve the discovery request on the appropriate party allowing the party a minimum of 30 days to respond to the request.
 - (2) If in its discretion, OTA determines that a discovery request made pursuant to this section is overly burdensome, invasive, or otherwise not in the interest of adjudication of the hearing before it, OTA can deny a party’s request for discovery. OTA will inform the parties that a request for discovery is denied in writing no more than 15 days after the discovery request is received by OTA.

- (g) Resolution of noncompliance with discovery requests shall be governed by Government Code section 11507.7.

30215. EX PARTE COMMUNICATIONS

OTA shall follow the rules for ex parte communications as provided for in the Code of Judicial Ethics adopted by the Supreme Court pursuant to subdivision (m) of Section 18 of Article VI of the California Constitution for the conduct of judges, and those rules found in Government Code Sections 11430.10 through 11430.80. To the extent there is any conflict between the Code of Judicial Ethics and Government Code Sections 11430.10 through 11430.80 the Code of Judicial Ethics shall be controlling.

30216. INCORPORATION OF THE ADMINISTRATIVE PROCEDURE ACT

- (a) To the extent not inconsistent with Part 9.5 of Division 3 of Title 2 of the Government Code and these regulations, hearings and proceedings before OTA will be conducted in accordance with the Administrative Procedure Act using hearing procedures that are accessible to all representatives, including those who are not lawyers, and to taxpayers who are representing themselves. A Panel has the discretion to take or allow such actions as are permitted by the Administrative Procedure Act. Prior to assignment of a Panel, a Presiding Administrative Law Judge may take such actions with respect to an appeal.
- (b) To the extent permitted by the Administrative Procedure Act, any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely on in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make admission of the evidence improper in civil actions.
- (c) Where a party offers oral testimony as evidence at an oral hearing, the oral evidence may be taken only on oath or affirmation.
- (d) Unless otherwise directed by OTA, where an oral hearing is not requested or is waived, appeal proceedings will be conducted under Chapter 4.5 of the Administrative Procedure Act, to the extent not inconsistent with Part 9.5 of Division 3 of Title 2 of the Government Code and this chapter. However, OTA will retain the discretion to utilize aspects of Chapter 5 and prohibit usage of portions of Chapter 4.5 of the Administrative Procedure Act.
- (e) Where an oral hearing is requested, OTA will conduct the hearing process pursuant to Chapter 5 of the Administrative Procedure Act. However, OTA will retain the discretion to utilize aspects of Chapter 4.5 and prohibit usage of portions of Chapter 5 of the Administrative Procedure Act to the extent not inconsistent with Part 9.5 of Division 3 of Title 2 of the Government Code and this chapter. OTA strives to have the least formal proceedings as necessary for each case. If an appeal has been set for an oral hearing and is subsequently set to be decided without an oral hearing, paragraph (d) will apply.

- (f) Notwithstanding subdivision (d) and (e) of this section, the following provisions included in Chapters 4.5 and 5 of the Administrative Procedure Act shall not apply to proceedings before OTA: 11425.10, 11405.10-11405.80, 11415.60, 11420.10-11420.30, 11435.05-11435.65, 11440.10, 11460.10-11460.80, 11465.10-11465.70, 11470.10-11470.50, 11500-11507, 11507.5-11509, 11511.5-11512, 11516-11518, 11519-11529.
 - (1) Where context or subject matter otherwise requires exception from the provisions of the Administrative Procedure Act OTA is exempted from such provisions.
- (g) Where the Administrative Procedure Act uses the term “Presiding Officer” that term shall have the meaning of “Lead ALJ” or “Panel” as context and utilization requires.
- (h) Notwithstanding any other part of this section, OTA may in its discretion use the informal hearing procedures found in the Administrative Procedure Act Chapter 4.5 where the appellant is self-represented or otherwise not represented by a paid legal or tax professional.
- (i) To the extent that any provisions of the Administrative Procedure Act conflicts with these regulations these regulations shall be controlling

30217. **DETERMINATION THAT APPEAL WAS FRIVOLOUS**

- (a) **Generally.** If a Panel determines that a franchise or income tax appeal is frivolous or is maintained for the purpose of delay, OTA may impose a penalty, under Revenue and Taxation Code section 19714, on the appellant or appellants that submitted the appeal.
- (b) **Factors Considered.** The following factors are considered in determining whether, and in what amount, to impose a frivolous appeal penalty:
 - (1) Whether the appellant is making arguments that OTA, in a precedential opinion, or the State Board of Equalization, in a Formal Opinion, or courts have rejected;
 - (2) Whether the appellant is making the same arguments that the same appellant made in prior appeals;
 - (3) Whether the appellant submitted the appeal with the intent of delaying legitimate tax proceedings or the legitimate collection of tax owed;
 - (4) Whether the appellant has a history of submitting frivolous appeals or failing to comply with California’s tax laws.
- (c) The list of factors in this subdivision is not intended to be exclusive. OTA may consider

other relevant factors.

30218. APPLICATION OF ETHICS CODES

Each OTA Administrative Law Judge will abide by the Code of Judicial Ethics adopted by the California Supreme Court pursuant to subdivision (m) of Section 18 of Article VI of the California Constitution for the conduct of judges, including, but not limited to, those canons governing conflicts of interest and ex parte communications.

30219. APPLICATION OF BURDEN OF PROOF

- (a) Except as otherwise specifically provided by law, the burden of proof is upon the taxpayer as to all issues of fact.
- (b) In any proceeding involving the issue of fraud with intent to evade tax, the burden of proof as to that issue is upon the Agency.
- (c) Except as otherwise provided by law, the burden of proof requires proof by a preponderance of the evidence.

ARTICLE 3. POSTPONEMENTS, DEFERRALS, AND DISMISSALS

30220. POSTPONEMENT AND DEFERRAL

- (a) OTA may postpone or defer proceedings in an appeal, including hearings and briefing, for reasonable cause. "Reasonable cause" may include, but is not limited to:
 - (a) A party or a representative of a party cannot appear at a hearing or meet a briefing deadline due to the illness of that person or a member of that person's immediate family;
 - (b) A party or a representative of a party cannot appear at a hearing or meet a briefing deadline due to an unavoidable scheduling conflict;
 - (c) A party has obtained a new representative who requires additional time to become familiar with the case;
 - (d) All parties desire a postponement;
 - (e) An appellant's involvement in a bankruptcy action; or
 - (f) Pending court litigation, or proceedings at the Franchise Tax Board, that may impact the appeal proceedings or be relevant to the resolution of the issues on appeal, or the resolution of other pending appeals raising similar issues.

- (b) OTA will not postpone or defer proceedings where the postponement request will result in unreasonable delay or is otherwise not in the interests of proper tax administration.

30221. SETTLEMENT OR RESOLUTION

OTA may postpone or defer proceedings in an appeal if a party seeks time to settle or otherwise resolve the appeal. If an Agency notifies OTA that it has accepted an appeal for settlement consideration, OTA will defer appeal proceedings pending resolution of the settlement negotiations. If settlement negotiations are not successful, and upon notification from a party that settlement negotiations have terminated without a settlement, OTA will reactivate the appeal and will advise the parties as to the next step in the appeal.

30222. WRITTEN NOTICE

OTA will provide written notification to the parties if an appeal is postponed or deferred.

30223. DISMISSAL

OTA will dismiss an appeal under any of the following circumstances:

- (a) The appellant or the appellant's authorized representative submits a written, signed request for dismissal;
- (b) The Agency submits a written concession of the entire amount of the deficiency, refund, or claim at issue; or
- (c) The parties submit a written stipulation, signed by all the parties, in which all parties agree to dismissal.
- (d) Upon dismissal, OTA will notify the parties that the appeal has been dismissed.

30224. REQUEST FOR RECONSIDERATION OF CDTFA APPEALS BUREAU DECISION

- (a) Except as provided in subdivision (b), where a party to an appeal timely submits to CDTFA Appeals Bureau a request for reconsideration of the CDTFA Appeals Bureau decision, the appeal before OTA will be held in abeyance pending the CDTFA Appeals Bureau's resolution of the request for reconsideration or appellant's withdrawal of the request for reconsideration.
- (b) When the CDTFA Appeals Bureau either issues a revised or supplemental decision in response to the request for reconsideration or notifies the party in writing that the request for reconsideration is not accepted, the time for submitting an appeal will recommence pursuant to the relevant provisions of regulation 30203.

CHAPTER 3. Briefing Schedules and Procedures

ARTICLE 1. GENERAL BRIEFING SCHEDULE

30301. APPLICATION OF CHAPTER

- (a) **Generally.** The general briefing schedule in this chapter applies to all appeals from actions of FTB or CDTFA, unless the appeal involves an innocent spouse determination. However, OTA may direct a modified briefing schedule or additional briefing may be requested pursuant to these regulations. In the case of a petition for redistribution of local or district tax, OTA will also mail a copy of the briefing schedule to the taxpayer whose allocations are the subject of the petition.
- (b) **Jeopardy Determination.** If an appeal involves a jeopardy determination, OTA may compose a suitable briefing schedule after due consideration of all the facts and circumstances of that appeal.

30302. GENERAL REQUIREMENTS

- (a) **Generally.** The parties to an appeal must adhere to the briefing schedules and other requirements set forth in this chapter. Throughout the briefing schedule, OTA will inform the parties of applicable deadlines, extensions, and other requirements by written notification, and will ensure that all parties receive copies of any correspondence in the appeal.
- (b) **Submission and Acknowledgment.** Upon receipt of any brief submitted within the scope of the applicable briefing schedule, including any applicable deadlines and extensions, OTA will provide written acknowledgement of receipt to all parties and will provide each opposing party with a copy of the brief and any supporting exhibits.
- (c) **Extensions.** A party may request an extension of time for filing a brief. Any extension request must be in writing, must state the reason(s) for the request, and must be submitted to OTA prior to the scheduled due date for that brief. OTA may extend, defer, or postpone briefing deadlines for reasonable cause. OTA will notify the party whether the request is granted or denied. When OTA grants a request for extension, its notification will state the extended due date for the brief and will be mailed to all parties. If warranted, the notification will include a revised due date for briefs to be submitted by other parties.
- (d) **Formatting.** Unless otherwise directed, all briefs must be no longer than 30 double-spaced 8½” by 11” pages, or 15 single-spaced 8½” by 11” pages (or the hand-written equivalent), excluding any table of contents, table of authorities, and exhibits. Briefs may be hand-written or typed and shall be printed only on one side of the page using a type-font size of at least 10 points or 12 characters per inch, or the equivalent. OTA may grant an exception to these requirements for reasonable cause. If a brief is submitted that does not comply with the requirements of this subdivision, OTA may return the brief to the submitting party for correction or, in its discretion, accept the brief.

- (e) **Nonconforming Briefs.** In the event a brief does not conform to the form and page limits specified above, OTA may return the submitted brief and direct the party to comply with the form and page limits by the date specified by OTA. Failure to submit a compliant brief by the specified date will constitute a waiver of the opportunity to submit the brief. A party may request to file a nonconforming brief. The request must be in writing, state grounds for the nonconformance, and be filed at least 15 days prior to the due date of the brief.
- (f) **Failure to Submit a Brief.** The failure to submit a brief that conforms to the requirements specified above, within the scope of the applicable briefing schedule, including any applicable deadlines, extensions, and other requirements, is a waiver of the right to submit that brief. However, OTA may request a further briefing.
- (g) **Non-Party Briefing.** At the discretion of OTA, non-party (amicus) briefs may be submitted. Any non-party briefs that are accepted by OTA will be provided to the parties, and OTA may, in its discretion, request responses thereto.

30303. OPENING BRIEFS

- (a) **Appellant's opening brief.** The appellant's appeal letter, if it is accepted as a valid appeal pursuant to Section 30205, will constitute the appellant's opening brief, unless the appellant requests the opportunity to submit a supplement to the opening brief. If the appellant requests with its opening brief, or before its opening brief is perfected, the opportunity to submit a supplement to appellant's opening brief, OTA will permit appellant to file a supplemental opening brief within 60 days. The appeal letter and any supplement to the opening brief together will be considered appellant's opening brief, and cannot exceed a total of 30 pages, formatted pursuant to regulation 30302, subdivision (d), unless otherwise permitted by OTA.
- (b) **Respondent's opening brief.** The respondent must submit an opening brief not later than 60 days from the date OTA acknowledges receipt of the appellant's opening brief, unless OTA grants additional time for submission of respondent's opening brief.
- (c) **Appellant's reply brief.** The appellant may submit a reply brief and any such reply brief must be submitted not later than 30 days from the date OTA acknowledges receipt of the respondent's opening brief, unless OTA grants additional time for the submission of the reply brief. The appellant's reply brief, if submitted, may only address new facts, issues, or arguments raised in the respondent's opening brief.
- (d) **End of the briefing process.** The submission of appellant's reply brief generally will end the briefing process, unless additional briefing is requested pursuant to regulation 30304.

30304. REQUESTS FOR ADDITIONAL BRIEFING

- (a) **Generally.** Either OTA or a party to an appeal may request additional briefing. OTA will address any request by a party for additional briefing, and determine the order, deadlines, and conditions under which any additional briefing may be permitted. Unless otherwise directed, additional briefing is subject to the same format and length limitations as briefing filed pursuant to the regular briefing schedule set forth in these regulations, and the party submitting the additional briefing may attach any relevant evidence as exhibits.
- (b) **Requests by a Party for Additional Briefing.** A party to an appeal may request an opportunity to submit an additional brief. Any such request must be made in writing, should copy the other party to the appeal, and should be made promptly following the event or circumstance that caused the party to make the request. If an additional brief is submitted outside of the applicable briefing schedule or the schedule set by OTA, an ALJ will determine whether there is reasonable cause to accept the submission, and whether to request a reply from the other party or parties.
- (c) **Informality of Briefing.** Unless otherwise directed by OTA, additional briefing may be informal, use ordinary and informal language, and may be hand-written or typed.

ARTICLE 2. GENERAL BRIEFING SCHEDULE FOR INNOCENT SPOUSE APPEALS

30310. APPLICATION

The briefing schedule in this article applies to all appeals from notices that grant or deny, in whole or in part, innocent spouse relief pursuant to Revenue and Taxation Code sections 6456, 18533, or 19006, or pursuant to California Code of Regulations, title 18, section 4903.

30311. DEFINITIONS

For purposes of this section:

- (a) An “appealing spouse” is the individual who submitted the appeal with OTA. A “non-appealing spouse” is an individual who has not submitted a timely appeal with OTA.
- (b) The “requesting spouse” is the individual who requested innocent spouse relief. The requesting spouse may be either the appealing or non-appealing spouse, depending upon whether the Agency granted or denied innocent spouse relief.
- (c) The “non-requesting spouse” is the individual who did not request innocent spouse relief. The non-requesting spouse may be either the appealing or non-appealing spouse, depending upon whether the Agency granted or denied innocent spouse relief.

30312. SPECIAL RULES AND PROCEDURES

- (a) If both spouses submit timely appeals, then the appeals will be consolidated for briefing, hearing, and decision. Each spouse will be treated as an appealing spouse and will have an equal opportunity to submit briefs.

- (b) If only one spouse submitted a timely appeal, then upon receipt of a perfected appeal from the appealing spouse, OTA will provide one copy of the perfected appeal to the non-appealing spouse and notify the non-appealing spouse of his or her right to participate in the appeal.
- (c) OTA shall use the best available information to contact the non-appealing spouse.
- (d) OTA's jurisdiction over an innocent spouse appeal will be determined at the time of filing of appellant's opening brief and shall remain in effect through the conclusion of the appeal, notwithstanding any Agency withdrawal of a notice or decision. Any subsequent Agency notice or decision issued to a party to the appeal for the years at issue shall stand in place of the original notice or decision.

30313. **PROTECTION OF CONFIDENTIAL INFORMATION**

OTA will take reasonable steps, including redaction where appropriate, to ensure that the personal identifying information of one spouse is not provided to the other spouse.

30314. **OPENING BRIEFS**

- (a) **Appealing Spouse's Opening Brief.** The appealing spouse's perfected appeal letter is the appealing spouse's opening brief, unless the appealing spouse requests the opportunity to submit a separate opening brief. If the appealing spouse requests the opportunity to submit an opening brief, it will make such a request in its appeal letter and submit the opening brief within 30 days, unless OTA grants additional time for the submission of the opening brief. The appeal letter and any opening brief cannot exceed a total of 30 pages, formatted pursuant to regulation 30302, unless otherwise permitted by OTA.
- (b) **Respondent's Opening Brief.** The Agency may submit an opening brief not later than 60 days from the date OTA acknowledges receipt of the appealing spouse's opening brief.
- (c) **Non-Appealing Spouse's Opening Brief.** The non-appealing spouse may submit an opening brief not later than 60 days from the date of the notification of his or her right to participate in the appeal. The submission of the non-appealing spouse's opening brief will join the non-appealing spouse as a party to the appeal. A failure by the non-appealing spouse to submit an opening brief within the time provided is a waiver of the non-appealing spouse's right to participate in the appeal, unless the non-appealing spouse establishes that such failure was due to reasonable cause.

30315. **REPLY BRIEFS**

Appealing spouse's reply brief. The appealing spouse may submit a reply brief not later than

30 days from the later of:

- (a) The date OTA acknowledges receipt of the Agency's opening brief;
 - (b) The date OTA acknowledges receipt of the non-appealing spouse's opening brief, if one is submitted; or
 - (c) The date on which OTA notifies the parties that the non-appealing spouse has not filed an opening brief by the deadline or has waived the non-appealing spouse's right to submit an opening brief.
- (1) The appealing spouse's reply brief, if submitted, may only address points of disagreement with the Agency's opening brief and the non-appealing spouse's opening brief.
 - (2) If neither the non-appealing spouse nor the Agency submit a reply brief, the briefing schedule is concluded, unless briefing is requested pursuant to these regulations.

30316. CONFORMITY WITH FEDERAL ACTION

If, prior to a Panel's decision on the appeal, any party to the appeal receives notification that the requesting spouse has been granted relief under Internal Revenue Code section 6015, the following procedures will apply in addition to the other procedures set forth in this Article:

- (a) The party who receives notification that relief has been granted under Internal Revenue Code section 6015 must submit proof of such notification to OTA as soon as is practical.
- (b) Regardless of whether the non-requesting spouse has joined the appeal, OTA will notify FTB and the non-requesting spouse of the federal grant of innocent spouse relief. Not later than 30 days from the date of the notification, FTB and the non-requesting spouse may provide "information that indicates that relief should not be granted," as that phrase is defined in Revenue and Taxation Code section 18533, subdivision (i)(2).
- (c) If FTB and/or the non-requesting spouse provides information as permitted by paragraph (b) of this subdivision, the requesting spouse may submit an additional brief. If FTB did not provide information as permitted by paragraph (b) of this subdivision, it may also submit an additional brief. Additional briefs must be submitted not later than 30 days from the date OTA acknowledges receipt of the information described in paragraph (b) of this subdivision. Any brief submitted pursuant to this paragraph may only address points of disagreement with the information submitted pursuant to paragraph (b) of this subdivision.

If this section becomes applicable after the briefing schedule has concluded, then briefing will be reopened for the purpose of complying with this section and any hearing or decision will be postponed as appropriate.

- (d) If this section becomes applicable before the briefing schedule has concluded, then the briefing schedule will not be concluded until the requirements of this subdivision are satisfied.
- (e) This section shall only apply to appeals from notices that grant or deny, in whole or in part, innocent spouse relief pursuant to Revenue and Taxation Code sections 18533 or 19006.

CHAPTER 4. General Oral Hearing Procedures

ARTICLE 1. SCHEDULING AN ORAL HEARING

30401. PROCESS FOR REQUESTING AN ORAL HEARING

- (a) **Written Request Required.** Every appellant has the right to an oral hearing before a Panel upon written request, except as otherwise provided in any statute or regulation.
 - (1) Appellant may request an oral hearing in writing at any point in time prior to the completion of briefing. The request may be included in appellant's appeal letter or briefing and should indicate whether the appellant is requesting a hearing in Sacramento, Los Angeles, or Fresno. At the close of briefing OTA will send appellant a request for oral hearing form. Appellant has 15 days from the date of the form to request or confirm an oral hearing using the form or otherwise in writing. If a request for oral hearing is not received by OTA 15 days after the date on the form, appellant will be deemed to have waived its right to oral hearing and the matter will be determined on the writing.
 - (2) Upon receipt of a timely request for oral hearing, OTA will send written acknowledgment of the request to all parties.
 - (3) An untimely request for oral hearing may be accepted by OTA if it determines that the requesting party's failure to make a timely request was due to reasonable cause.
 - (4) OTA may send appellant confirmation notice(s) to determine whether appellant still seeks an oral hearing. If an appellant fails to respond to OTA's confirmation notice by the deadline set in the confirmation notice, appellant waives its rights to have an oral hearing, unless OTA is advised by appellant that it still wants a hearing and OTA determines that there is good cause for granting the request.

(b) **Innocent Spouse Appeals.** Both the appealing spouse and the non-appealing spouse, as those terms are defined in regulation 30311 may request an oral hearing pursuant to subdivision (a) of this section. The non-appealing spouse may request an oral hearing only if he or she has been joined as a party to the appeal. If such a request is made by either or both spouses, a Panel typically will conduct one oral hearing and invite both spouses to appear. However, a Panel will conduct separate oral hearings if:

- (1) A court order would prohibit the spouses from appearing at the same hearing; or
- (2) OTA determines that conducting one oral hearing is likely to be unsafe, disruptive, or unjust.

(c) If a Panel conducts separate oral hearings, the Panel will not decide the appeal until both hearings have concluded.

30402. **NOTICE OF ORAL HEARING**

- (a) If an oral hearing is granted under regulation 30401, OTA will notify the parties that that an oral hearing will be scheduled by sending a notice of oral hearing.
- (b) Unless all parties agree to waive this notice requirement and agree to a shorter notice period of notice, a notice of oral hearing will be sent to the parties at least 45 days prior to the oral hearing date. The notice of oral hearing will contain the following information:
 - (1) The name of the taxpayer, and OTA's case identification number for the appeal;
 - (2) The date, time, and location of the oral hearing;
 - (3) The due date of the response to the notice of oral hearing; and
 - (4) The date the notice of oral hearing was mailed.

30403. **RESPONSE TO NOTICE OF ORAL HEARING**

An appellant that wishes to have an oral hearing must provide OTA with a signed and completed response to notice of oral hearing no later than 15 days from the date the notice of oral hearing was mailed. Each party or its authorized representative must respond to the notice of oral hearing with the following information, and provide a copy to the other party or parties:

- (a) A statement indicating whether the party or party's authorized representatives: (1) will appear at the hearing at the time and place noticed, (2) requests a postponement (and the reasons for any such request), (3) waives the opportunity to appear and be represented at the hearing, in which case the appeal will be decided on the basis of the written record

and without an oral hearing, or (4) withdraws the party's appeal (or in the case of the Agency, withdraws its action from which the party appeals).

- (b) Persons participating in oral hearings who speak a language other than English, or are deaf, and require an interpreter are entitled to an interpreter at no charge. The response to the notice of oral hearing should set forth the party's request for an interpreter and state the primary language spoken by the person for whom an interpreter is requested.
- (c) If a person requires special accommodation for other reasons, the response should describe the person's disability and the accommodation sought.
- (d) The name and address of all witnesses who will testify for the party; if a witness will be testifying in an expert capacity, a summary of that person's credentials to testify as an expert shall be provided, together with a brief summary of the nature and purpose of the expert's testimony.
- (e) Such other information as OTA may reasonably request in order to facilitate a fair and orderly oral hearing.

30404. WAIVER OF ORAL HEARING

- (a) If the party or parties who requested an oral hearing fail to return the response to notice of oral hearing by the deadline stated in the notice of oral hearing, or fail to appear at the oral hearing, OTA will notify the parties in writing that the matter has been removed from the oral hearing calendar and the matter will be submitted to a Panel for a decision on the basis of the written record without an oral hearing, unless OTA determines otherwise pursuant to paragraph (b) below.
- (b) Prior to a Panel decision, OTA, in its discretion, may make exceptions to return the matter to the oral hearing calendar upon a showing of reasonable cause for failing to appear or return the hearing notice.

30405. POSTING OF THE ORAL HEARING SCHEDULE ON OTA'S WEBSITE

A matter that has been scheduled for a hearing date will be posted on OTA's website fifteen (15) calendar days before the hearing date.

ARTICLE 2. CONDUCTING AN ORAL HEARING

30411. DISQUALIFICATION OF ADMINISTRATIVE LAW JUDGE FOR CAUSE

Any party may file a motion to disqualify for cause any of the administrative law judges assigned

to a Panel. Such a motion must be made pursuant to Government Code Section 11425.40. There is no right to peremptory challenges.

30412. AUTHORITY OF ADMINISTRATIVE LAW JUDGES

To the extent not otherwise provided by regulation or statute, in any proceeding where an ALJ Panel has been assigned to conduct an oral hearing and render a written decision, or otherwise consider a motion in a case before OTA, the Lead ALJ, or any member of the ALJ Panel, shall have full power, jurisdiction, and authority to:

- (a) Hold a fair hearing, including the examination of witnesses, documents, and other relevant evidence, administer oaths and affirmations, rule on objections, privileges, defenses, and the receipt of relevant and material evidence, for the purpose of ascertaining the facts on which a decision may be based;
- (b) Determine the order that witnesses will testify at hearing;
- (c) Request that each party state the issues to be heard, agreed-upon facts, and identifying the evidence upon which a party wishes to rely to prove or disprove contested facts;
- (d) Ask relevant questions of any witness or party to clarify the record at any prehearing conference or during a hearing;
- (e) Issue interlocutory and final orders, instructions and decisions;
- (f) Issue post-hearing orders;
- (g) Issue rulings on all motions timely and properly submitted to an ALJ Panel;
- (h) Order the closure of the hearing record from receipt of further evidence or argument (or reopen a previously closed hearing record);
- (i) Issue and vacate submission orders; and
- (j) Take any other action deemed necessary for the orderly and fair adjudication of disputes within OTA's jurisdiction.

30413. CONCLUDING AN ORAL HEARING

Upon concluding a hearing proceeding, the Panel will determine the submission date when the official hearing record will be closed and no further evidence or argument will be received from the parties. For good cause, the Panel may defer its determination of the submission date or reopen the record.

ARTICLE 3. DISCOVERY AND LAW AND MOTION

30420. PRESENTING INFORMATION AND DOCUMENTS AT ORAL HEARING

- (a) **Exhibits.** Each party must prepare exhibit(s) and an index. The index must identify each discrete document or item as a separate exhibit for OTA's consideration. The index must include a brief description of each exhibit. All exhibits must be marked for identification as follows: taxpayers shall use numbers to identify exhibits, and the Agency shall use letters to identify exhibits. Unless the parties decide otherwise, the Agency may also prepare joint exhibits containing any exhibits that both parties agree should be admitted. Joint exhibits should be pre-marked numerically and preceded with the letter "J."

The parties shall exchange all indices and copies of their exhibits at least fifteen (15) calendar days before the hearing, or earlier if directed to do so by OTA.

The Agency shall include in its exhibits any jurisdictional documents including the written decision or notice of action taken by the Agency that is the subject of the appeal.

- (b) **Witness Lists.** Each party must submit a list of all witnesses who will testify on its behalf at the hearing, including the taxpayer (if applicable), with OTA with a copy to the other party, at least (15) calendar days before the hearing or earlier if directed to do so by OTA. The witness list should include a brief description of the purpose of each expert witness's testimony, if any.

If an expert will testify, the witness list must clearly identify all expert witnesses. Expert witnesses shall prepare a written report which shall be filed with OTA and sent to the opposing party, at least thirty (30) calendar days before the prehearing conference or at least thirty (30) calendar days before the hearing if a prehearing conference is not scheduled.

- (c) **Witness Declarations.** Parties may submit declarations of persons who will not be present at the hearing. Declarations must be submitted at least thirty (30) calendar days before the prehearing conference or at least thirty (30) calendar days before hearing if a prehearing conference is not scheduled.

The opposing party will have fifteen (15) calendar days after receipt of a witness declaration to mail or deliver to the other party a request to question the witness, otherwise they will waive their right to question the witness. If an opportunity to question a witness is not afforded after a timely request, the declaration may be introduced in evidence, but shall be given only the same effect as other hearsay evidence.

- (d) A request for discovery beyond what is outlined in subsection (a) above, will be decided upon by an administrative law judge.

30422. **MOTIONS**

- (a) All motions made prior to the oral hearing shall be directed to the Lead ALJ or where no Lead ALJ is yet assigned to a Presiding Administrative Law Judge.
- (b) A motion shall be made with written notice to all parties, unless the motion is made during a hearing while on the record. If a specific statute or regulation permits an ex parte petition or application, the moving party shall give all other parties 24-hour notice. Every written motion shall be filed with an attached proof of service showing that all parties have been served with the motion.
- (c) All requests to exclude evidence must be in writing, numbered consecutively, and filed with OTA at least twenty (20) calendar days before the scheduled hearing. However, a party's failure to file such a motion prior to hearing shall not prevent a party from objecting to the admission of evidence at the time it is introduced at a hearing.
- (d) The Lead ALJ assigned to a Panel may decide pretrial motions, order additional briefing on the issue, or defer decision until the date of the hearing. The timing and service requirements of the opposition and reply, if any, shall be at the discretion of the Lead ALJ.
- (e) Except as otherwise provided by statute or regulation, or as permitted by the Lead ALJ, a motion shall be filed and served at least 15 days before the date set for the commencement of the oral hearing, and any response to the motion shall be filed and served no later than 3 days before the date the motion is scheduled to be heard.
- (f) Except as otherwise provided by statute or regulation, or as ordered by the Lead ALJ, a motion may be decided without oral argument.

ARTICLE 4. OBSERVATION OF ORAL HEARINGS

30430. PUBLIC TRANSPARENCY

- (a) Oral hearings before a Panel are open to the public, unless ordered otherwise in accordance with this section. The appellant's submission of an appeal constitutes a waiver of the appellant's right to confidentiality with regard to all of the briefing and other information provided to OTA by the appellant, CDTEA or FTB. OTA may disclose information pursuant Revenue and Taxation Code section 19545, California Public Records Act (Government Code, sections 6250 et seq.), part 9.5 of division 3 of title 2 of the Government Code, and other applicable law.
- (b) The waiver described in subdivision (a) does not apply to any person's address, telephone number, social security number, federal identification number, or other account number, and such information will not be provided to the public in response to a request made pursuant to the California Public Records Act (Government Code, sections 6250 et seq.).
- (c) Nothing in this section prohibits any party to an OTA hearing, administrative law judges,

or OTA staff from referring to information described in this section in briefs submitted under this division, or in a manner that will not disclose any person's actual address, telephone number, social security number, federal identification number, or bank account number at a hearing.

- (d) There is no right to confidentiality as to relevant information that OTA includes in a written opinion that is required to be published pursuant to Government Code section 15675.

30431. REQUESTS TO CLOSE AN ORAL HEARING FROM PUBLIC OBSERVATION

An appellant may request that an oral hearing or a portion of the oral hearing be closed to the public, and may request that the appeal record or a portion of the appeal record be sealed. Any such request should be made in writing, preferably at the time of submitting the appeal, but prior to the due date of the appellant's response to the notice of oral hearing. The request should state the grounds upon which it is based, and copy all other parties, including the Agency. Any person may oppose or support such a request.

30432. OTA consideration of a request to close an oral hearing.

- (a) OTA shall determine whether to grant the request, in whole or in part, based upon the following objective criteria:
 - (1) Whether the appeal involves trade secrets or other confidential research, development, or other information the disclosure of which would cause unwarranted annoyance, embarrassment, or oppression to any person, and all of the following criteria are met:
 - (A) Whether such information is not otherwise publicly available and would ordinarily be considered to be private and sensitive;
 - (B) Where a request for a closed hearing is made, whether such information is likely to be disclosed during an oral hearing;
 - (C) Where a request for a closed hearing is made, whether any risk of disclosure of such information can be mitigated by instructing the parties to limit the content of their presentations at the oral hearing, or by only closing a portion of the hearing, testimony or evidence.
 - (2) To ensure the ability of the party to be represented by the person of their choice, in the circumstances of that particular case.
 - (3) Upon other grounds as necessary to ensure a fair hearing and provision of due process, in the circumstances of that particular case.

- (b) This section will be applied and interpreted in a manner that recognizes the public interest in transparency. The mere presence of a tax dispute and allegations of noncompliance with tax law will not constitute sufficient grounds for closing an oral hearing or sealing appeal records.

30433. RULING UPON A REQUEST TO CLOSE AN ORAL HEARING

OTA shall issue a written order granting or denying any request to close an oral hearing or seal records, in whole or in part.

CHAPTER 5. Decision by Written Opinion

30501. ISSUANCE OF A WRITTEN DECISION

- (a) OTA shall publish a written opinion for each appeal decided by a panel. The panel that decides an appeal will issue a written opinion explaining reasons for granting or denying the appeal, in whole or in part. Final opinions shall appear on the OTA website.
- (b) The written opinion will include findings of fact, a statement of the legal issue(s) presented, applicable law, analysis, the holding of the Panel, and the names of the adopting administrative law judges and any administrative law judge(s) concurring in or dissenting from the Panel's opinion.
- (c) In order to issue a decision on an appeal, at least two out of three Panel members must concur in the disposition of each holding set forth in the opinion. A concurring or dissenting member may provide a separate written opinion explaining the basis for the member's concurrence or dissent.
- (d) Within 100 days after the date upon which the Panel's decision becomes final, OTA will publish the Panel's opinion as OTA's written decision for the appeal on the OTA website. The published opinion will include the names of the administrative law judges concurring and/or dissenting with each holding in the opinion.
- (e) Posted OTA decisions will be given a decision number using the following format:
YEAR-OTA-Sequential number of the appeal in that year. Decisions posted as precedential will have a P at the end of the sequential number of the appeal.
 - (1) For example: if the second opinion published in 2018 were precedential its decision number would be "2018-OTA-002P."

30502. CITATION OF OPINIONS AND PRECEDENTIAL EFFECT

- (a) Any person may propose that an opinion be given precedential effect within 20 days of the decision being mailed. Parties may communicate such a proposal to an email address listed on OTA's website.
- (b) A published written opinion of OTA is not precedential in any other appeal before OTA unless OTA designates the published written opinion as precedential in accordance with Government Code section 11425.60.
- (c) OTA will make a determination whether an opinion will be precedential. OTA will consider the following factors in determining whether to designate an opinion as precedential:
 - (1) Whether the opinion would establish a new interpretation of law, apply an existing rule to a set of facts significantly different from those stated in published opinions, or modify or repeal an existing interpretation of law;
 - (2) Whether the opinion would resolve an apparent conflict in the law;
 - (3) Whether the opinion would involve a legal issue of continuing public interest;
 - (4) Whether the opinion would make a significant contribution to the law by reviewing either the development of a common law rule or the legislative or judicial history of a provision of a constitution, statute, or other written law; and
 - (5) Any other basis OTA determines justifies publishing a Panel's decision as a precedential opinion.
- (d) In consultation with the Presiding ALJs, the Chief Counsel of OTA or his or her designee shall determine if a decision should be precedential. Once it is determined that a decision should be precedential the Director of OTA or his or her designee can reject the decision to make the decision precedential.
 - (1) The Director of OTA shall not be involved in deciding the appeal. The Director shall only have the authority to accept or reject the determination that a decision shall be precedential.
- (e) Precedential decisions shall be posted on the website, and when first posted will be marked as "Pending Precedential." Thirty days after posting a "Pending Precedential" the decision automatically becomes Precedential unless noted as "Nonprecedential" on the website. The 30-day period is intended to give notice of new precedential cases before they take effect.

30503. **WITHDRAWAL OF PRECEDENTIAL OPINIONS**

In an appeal before OTA, OTA may withdraw, in whole or in part, the precedential status of an opinion previously designated as precedential. OTA must explain why the precedential status is being removed. Where OTA does so, the notation of the precedential status will be removed from the opinion and published as an overturned decision on the OTA website.

30504. PRECEDENTIAL DECISIONS OF THE BOARD OF EQUALIZATION

A precedential opinion of the State Board of Equalization that was adopted prior to January 1, 2018, may be cited as precedential authority to OTA unless a Panel removes, in whole or in part, the precedential status of that opinion as part of a written opinion that the Panel issues pursuant to this Chapter. Where OTA removes the precedential status of an opinion of the State Board of Equalization, it will publish on its website a notation that the previously precedential State Board of Equalization opinion is no longer precedential, along with information identifying the OTA opinion removing the precedential status.

30505. FINALITY OF WRITTEN OPINIONS

- (a) Date decision becomes final. A Panel will decide the appeal by issuing a written opinion, and that decision becomes final 30 days from the date the Panel issues its written opinion, unless within that 30-day period, a party to the appeal files a petition for rehearing. A petition for rehearing may be submitted to seek reconsideration of any written opinion issued by a Panel, regardless of whether an oral hearing was held. A Panel issues its written opinion on the date the written opinion is mailed to the parties at the address provided by the parties to OTA, not the date notice of the Panel's written opinion is received by a party.
- (b) A Panel may sever an issue or issues from an appeal for separate consideration and issue an opinion on the severed issue(s) prior to deciding the appeal. In situations where this occurs, the Panel's decision will not become final on the severed issues until the Panel's decision resolving the entire appeal becomes final.

CHAPTER 6. Petitions for Rehearing

30601. DEFINITIONS. For purposes of this article:

The "filing party" is the party who files a petition for rehearing.

The "non-filing party" is the party who does not submit a petition for rehearing.

30602. TIME FOR FILING A PETITION FOR REHEARING

A petition for rehearing is timely if it is mailed within the 30-day period described in regulation 30505 subdivision (a). The party should obtain and retain proof of timely mailing. OTA will provide all parties with notification of its receipt of a petition for rehearing. If OTA finds that a

timely petition for rehearing does not satisfy the requirements of regulation 30603, its notification of receipt will explain the deficiency and will allow the party who submitted the petition 30 days to cure the deficiency and satisfy the requirements of regulation 30603. If, by the end of that additional 30-day period, the party has still not provided sufficient information to satisfy the requirements of regulation 30603, OTA will reject the petition and mail written notification to the parties of that rejection unless the OTA determines that the petition substantially complies with regulation 30603 or that other good cause exists to accept the petition for rehearing.

30603. FORM AND CONTENT OF THE PETITION FOR REHEARING

Every petition for rehearing must be in writing, must meet the formatting requirements of regulation 30302, subdivision (d), and must contain the following:

- (a) the name or names of the party or parties submitting the petition for rehearing;
- (b) the address and telephone number of the submitting party and, if applicable, the submitting party's authorized representative;
- (c) any portion of the amount at issue conceded by the submitting party;
- (d) the signature of each party or the signature of an authorized representative made on behalf of each party submitting the petition for rehearing; and
- (e) facts and argument explaining why the party believes there are grounds for rehearing.

30604. GROUNDS FOR REHEARING

A rehearing may be granted where one of the following grounds for a rehearing exists and materially affects the substantial rights of the party seeking a rehearing:

- (a) an irregularity in the appeal proceedings which occurred prior to issuance of the written opinion and prevented fair consideration of the appeal;
- (b) an accident or surprise which occurred during appeal proceedings and prior to the issuance of the written opinion and which ordinary caution could not have prevented;
- (c) newly discovered, relevant evidence, which the party could not have reasonably discovered and provided prior to issuance of the written opinion;
- (d) insufficient evidence to justify the written opinion or the opinion is contrary to law; or
- (e) an error in law.

30605. NUMBER OF PETITIONS FOR REHEARING

A party may not submit more than one petition for rehearing regarding the same appeal. A party may not submit a petition for rehearing in response to a decision on the petition for rehearing or a Panel's issuance of a written opinion after a rehearing. If OTA receives a submission intended as such a petition for rehearing, OTA must reject the submission.

30606. DECISIONS ON PETITIONS FOR REHEARING

A “Decision on Petition for Rehearing” is a written decision that provides the basis of a Panel’s decision to grant or deny a rehearing. If the petition for rehearing is granted, then the initial decision in the appeal will be held in abeyance pending resolution of the rehearing. A Panel, in its discretion, may limit the scope of the rehearing or may decide the relief to be granted, if any, based on the written record, including the petition for rehearing and the briefing submitted in connection therewith, without any further hearing. If a Panel denies a petition for rehearing, then the Panel’s decision to deny the petition becomes final 30 days from the date on which the Panel issued its decision on the petition for rehearing.

30607. BRIEFING ON REHEARING

- (a) Regulation 30301 applies to the administration of this section and to any documents submitted under this section.
- (b) **Briefing Schedule; Single Petition Granted.** If a Panel grants a single petition for rehearing, the following briefing schedule applies:
 - (1) **Filing Party’s Opening Brief.** The filing party may submit an opening brief not later than 30 days from the date on which the petition for rehearing was granted.
 - (2) **Non-Filing Party’s Reply Brief.** The non-filing party may submit a reply brief not later than 30 days from the date on which OTA acknowledges receipt of the filing party’s opening brief.
 - (3) **Filing Party’s Reply Brief.** The filing party may submit a reply brief not later than 30 days from the date on which OTA acknowledges receipt of the non-filing party’s reply brief.
- (c) **Briefing Schedule; Multiple Petitions Granted.** If there is more than one filing party and the Panel grants more than one petition for rehearing, the following briefing schedule applies:
 - (1) **Opening Briefs.** Each party may submit an opening brief not later than 30 days from the date on which the petitions for rehearing were granted.

- (2) **Reply Briefs.** Each party may submit a reply brief no later than 30 days from the date on which OTA acknowledges receipt of the last brief submitted pursuant to paragraph (1).
- (d) **Additional Briefing.** On request of a party, or upon OTA's initiative, OTA may permit or require additional briefs in connection with a petition for rehearing.
- (e) **Alternate Briefing Schedule.** Notwithstanding subdivisions (b) and (c), OTA may order any briefing schedule that it deems appropriate on rehearing.
- (f) **Extensions.** The parties may request extensions of time as allowed for in subdivision (c) of regulation 30302.

CHAPTER 7. Taxpayer Bill of Rights Reimbursement Claims

TAXPAYER BILL OF RIGHTS REIMBURSEMENT CLAIMS

30701. JURISDICTION

This chapter applies to reimbursement claims under any of the following programs:

- (a) Corporate Franchise and Income Tax
 - (1) Personal Income and Bank and Corporation Income Tax (Revenue and Taxation Code sections 18401–19802)
- (b) Business Taxes and Fees
 - (1) Childhood Lead Poisoning Prevention Fee (Health and Safety Code Section 105310; Revenue and Taxation Code sections 43001–43651)
 - (2) Cigarette and Tobacco Products Tax (California Constitution Article XIII B, section 12; Revenue and Taxation Code sections 30001–30481)
 - (3) Diesel Fuel Tax (Revenue and Taxation Code sections 60001–60709)
Emergency Telephone Users Surcharge (Revenue and Taxation Code sections 41001–41176)
 - (4) Energy Resources Surcharge (Revenue and Taxation Code sections 40001–40216)
 - (5) Fees collected pursuant to the Fee Collection Procedures Law, including those fees specified in California Code of Regulations, title 18, section 3500. (Revenue and Taxation Code sections 55301–55337)

- (6) Hazardous Substances Tax (Revenue and Taxation Code sections 43001–43651)
- (7) Integrated Waste Management Fee (Revenue and Taxation Code sections 45001–45984)
- (8) Motor Vehicle Fuel Taxes (California Constitution Article XIX, Sections 1–9; Revenue and Taxation Code sections 7301–8526)
- (9) Occupational Lead Poisoning Prevention Fee (Health and Safety Code section 105190; Revenue and Taxation Code sections 43001–43651)
- (10) Oil Spill Response, Prevention and Administration Fees (Revenue and Taxation Code sections 46001–46751)
- (11) Sales and Use Tax (including State-administered local sales, transactions and use taxes)
- (12) Revenue and Taxation Code sections 6001–7279.6)
- (13) Underground Storage Tank Maintenance Fee (Revenue and Taxation Code sections 50101–50162)
- (14) Use Fuel Tax Law (Revenue and Taxation Code sections 8601–9355)

30702. APPEALS FROM FTB

For reimbursement claims from actions of FTB in applying Part 10 or 11 of the Revenue and Taxation Code, only those fees and expenses incurred after the date of a notice of proposed deficiency assessment or jeopardy assessment, or a denial of a claim for refund, are eligible for reimbursement. Reimbursable fees and expenses related to an appeal before OTA do not include fees and expenses incurred in cases where an appeal has been submitted, but is resolved before the submission of FTB’s opening brief. Fees and expenses are reimbursable only if a Panel issues a finding in writing that the action taken by FTB was unreasonable. To determine whether FTB has been unreasonable, a Panel will consider whether FTB has established that its position was substantially justified. An appellant whose appeal was not granted does not have an eligible claim.

30703. APPEALS FROM CDTEFA

For reimbursement claims involving a tax or fee program administered by CDTEFA and specified in regulation 30701, only those fees and expenses that were incurred after the date of the notice of determination, jeopardy determination, or claim for refund are eligible for reimbursement. Fees and expenses are “related to a hearing before OTA” for purposes of the

applicable statute authorizing reimbursement only if all of the following conditions are satisfied:

- (a) The claimant had previously submitted an appeal to OTA for review of an unfavorable decision issued by CDTFA Appeals Bureau;
- (b) a Panel granted, in whole or in part, the taxpayer's appeal; and
- (c) a Panel, after considering whether CDTFA has established that its position was substantially justified, issues a finding in writing that the action taken by CDTFA was unreasonable.

30704. DETERMINATION OF REASONABLE FEES

With respect to reimbursement claims from actions of FTB, reasonable fees for professional representation will be as provided in Revenue and Taxation Code section 19717, subdivision (c)(1)(B)(iii). With respect to reimbursement claims in business tax and fee appeals from CDTFA, reasonable fees for professional representation will be as provided in Revenue and Taxation Code section 7156, subdivision (c)(1)(B)(iii).

30705. CLAIM PROCEDURE

The claim must be submitted with OTA. The claim must be submitted after the decision of the Panel becomes final and not later than one year after the date the decision became final. OTA may grant extensions of time to submit a completed claim upon a showing of reasonable cause, if the written request is submitted with OTA prior to the scheduled due date of the claim. If the claim is incomplete, the claimant will be granted 30 days additional time to complete the claim. Failure to submit a complete claim within the time granted will result in dismissal of the claim by OTA.

- (a) **Dismissal of Ineligible Claim.** OTA must dismiss a claim if a Panel previously disposed of the appeal without granting the appeal in whole or in part.
- (b) **Agency Statement.** Within 60 days of OTA's acknowledgement of a completed claim, the Agency may submit a statement in response to the claim. OTA may grant extensions of time to submit the statement upon a showing of reasonable cause, if a written request is submitted with OTA before the scheduled due date of the statement.
- (c) **Claimant Response.** The Agency statement must be mailed to the claimant, who must be given the opportunity to respond within 60 days of service of the statement with additional written argument and/or documentation, including, but not limited to, declarations under penalty of perjury. OTA may grant extensions of time to submit a response upon a showing of reasonable cause if the written request for extension is submitted with OTA

before the scheduled due date of the response. If the claimant submits new information or documentation in the response, the Agency may be given an additional 30 days to respond to the new material.

- (d) Oral Hearing. After the submission of documents described in this section, the claim will be scheduled for oral hearing, if an oral hearing is requested. The claimant and the Agency will receive at least 45 days notice of the hearing date and time. Oral hearing may be waived by the taxpayer, in which case the matter will be submitted for decision on the basis of the written submissions.

30706. NOTICE OF DECISION

OTA will send written notice of the decision to the claimant and to the Agency. The decision on the claim is final 30 days from the date it is mailed. OTA will not accept a petition for rehearing for a claim made under this Chapter.