

**OFFICE OF TAX APPEALS  
STATE OF CALIFORNIA**

In the Matter of the Appeal of:  
**D. SAUNDERS**

) OTA Case No. 21047540  
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)

**OPINION**

Representing the Parties:

For Appellant:

Robert D. Heinrich, CPA

For Respondent:

Kristin K. Yeager, Program Specialist

R. TAY, Administrative Law Judge: Pursuant to Revenue and Taxation Code (R&TC) section 19045, D. Saunders (appellant) appeals an action by Franchise Tax Board (respondent) proposing additional tax of \$1,588, and applicable interest, for the 2016 tax year.

Appellant waived the right to an oral hearing; therefore, OTA decides this matter based on the written record.

**ISSUE**

Whether appellant has shown error in respondent’s proposed assessment, which is based on a federal adjustment, for the 2016 tax year.

**FACTUAL FINDINGS**

1. Appellant timely filed a 2016 California income tax return.
2. Subsequently, the IRS made an adjustment to appellant’s federal income tax return, increasing the amount of taxable interest from Vanguard Brokerage Services by \$12,915.
3. The federal adjustment is consistent with appellant’s federal wage and income transcript, which shows that Vanguard Brokerage Services issued an IRS Form 1099-INT reporting \$12,915 of interest income.
4. Respondent issued a Notice of Proposed Assessment based on the IRS’s adjustment.

5. Appellant protested. On protest, appellant submitted no documents showing error in the IRS's adjustment.
6. Respondent issued a Notice of Action affirming the proposed assessment.
7. This timely appeal followed.

### DISCUSSION

R&TC section 18622(a) provides that a taxpayer shall either concede the accuracy of a federal determination or state wherein it is erroneous. It is well settled that a deficiency assessment based on a federal adjustment is presumptively correct and that a taxpayer bears the burden of proving that the determination is erroneous. (*Appeal of Gorin*, 2020-OTA-018P.)

Appellant has not provided evidence to show that respondent's determination, which is based on federal adjustments, is erroneous, and in a review of the record, OTA also finds no errors. Respondent submitted a recent federal account transcript and a federal wage and income transcript for appellant's 2016 tax year, and neither show evidence of error in respondent's determination. Rather, appellant's wage and income transcript shows appellant received \$12,915 of interest income in 2016 that was not reported on his original 2016 California income tax return.

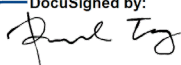
Appellant asserts respondent's proposed assessment should be reduced to \$7,387; however, appellant provided a copy of his federal account transcript dated September 9, 2021, which shows no revision to the federal adjustment. Appellant has not provided any additional documents that show respondent's proposed assessment should be revised, and thus, OTA finds appellant has not established error in respondent's proposed assessment.

HOLDING


Appellant has not shown error in respondent’s proposed assessment, which is based on a federal adjustment, for the 2016 tax year.


DISPOSITION

OTA sustains respondent’s action in full.

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Richard Tay  
Administrative Law Judge

We concur:

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Huy "Mike" Le  
Administrative Law Judge

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Daniel K. Cho  
Administrative Law Judge

Date Issued: 6/10/2022