









appeal that has been timely submitted pursuant to these regulations if any of the following circumstances apply:

- (1) An Appeals Bureau decision is adverse to the taxpayer, 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 CDTFA is a party to a taxpayer's appeal and the Appeals Bureau decision is adverse to that other state agency, in whole or in part.
- (c) This section contains general rules governing OTA's jurisdiction. Changes in the law may expand or limit OTA's jurisdiction.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15570.54, 15600, 15672 and 15674, Government Code; Sections 20, 18533, 19006, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19322.1, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346 and 20645, Revenue and Taxation Code.

#### **30104. LIMITATIONS ON JURISDICTION**

OTA does not have jurisdiction to consider the following:

- (a) Whether a California statute is invalid or unenforceable under the United States or California Constitutions, unless a federal or California appellate court has already 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 an Agency'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) An action or decision by another state or local agency that is not subject to review by FTB or CDTFA.
- (g) An action or decision by CDTFA, a petition for redistribution of local tax or district tax, or an action or decision by another state agency that is subject to review by the CDTFA Appeals Bureau, if the Appeals Bureau decision has not yet been issued.

Note: Authority cited: Section 15679, Government Code. Reference: Article III, Section 3.5, California Constitution; Sections 15570.54, 15600, 15672 and 15674, Government Code; Section 19570, Revenue and Taxation Code.

#### **30105. QUESTIONS OF JURISDICTION AND TIMELINESS**

- (a) OTA may request additional information and briefing from the parties to an appeal including on any issues related to jurisdiction or timeliness.
- (b) If OTA accepts an appeal and does not raise any issues regarding 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 there is an issue regarding 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 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15570.54, 15600, 15672 and 15674, Government Code; Sections 20, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346 and 20645, Revenue and Taxation Code.

### 30106. JURISDICTION OVER TRANSITIONING APPEALS

- (a) As of January 1, 2018, OTA has jurisdiction over any appeal which was heard by, or filed with, the State Board of Equalization 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 before January 1, 2018, OTA will treat that petition as a petition for rehearing under Chapter 7. 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 section does not foreclose subsequent requests for additional briefing pursuant to these regulations.
- (d) All other appeals for which CDTFA's 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 division. OTA will notify the parties to each of those appeals as to the next step in their respective appeals.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15570.54, 15600, 15672 and 15674, Government Code; Section 20, Revenue and Taxation Code.

## **CHAPTER 3. Appeal Requirements and Procedures**

### **ARTICLE 1. FILING AN APPEAL**

#### **30201. APPEAL FILING REQUIREMENTS**

Every appeal from an action of FTB or from a CDTFA Appeals Bureau decision 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:

- (a) 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(s);
- (b) The email address for each appellant and authorized representative(s), if available;
- (c) The facts involved and the specific reasons for the appellant's position;
- (d) If applicable, the appeal should include any legal authorities upon which the appellant relies, such as statutes, regulations, and judicial and administrative decisions;
- (e) 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; and
- (f) The signature of the party seeking an appeal or that party's authorized representative.
- (g) In addition, every appeal from an action of FTB must contain:
  - (1) The social security number or taxpayer identification number, whichever is applicable, of each appellant submitting the appeal;
  - (2) The year(s) or tax period(s) involved; and
  - (3) A copy of FTB's notice from which the appeal is made, unless FTB has failed to act on a claim for refund, request for innocent spouse relief, 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.
- (h) In addition, every appeal from a CDTFA Appeals Bureau decision must contain:
  - (1) CDTFA's account number for each appellant, and the case identification number(s) assigned by the CDTFA's Appeals Bureau to the appeal;
  - (2) The date of the CDTFA Appeals Bureau decision for which an appeal is requested; and
  - (3) A copy of the CDTFA Appeals Bureau decision from which the appeal is being made.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15672 and 15674, Government Code; Sections 20, 6561, 6561.5, 7710.5, 8851.5, 19045, 19047, 19048, 19085, 19087, 19104,

19331, 19333, 19334, 19345, 19346, 20645, 30261.5, 38442, 40092, 41086, 41091, 43302, 45302, 46352, 50115, 55082 and 60351, Revenue and Taxation Code.

**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 to OTA electronically. If submitted electronically, an electronic copy of such document must be transmitted to OTA at the fax number provided below, or in accordance with instructions provided on OTA's website at: [www.ota.ca.gov](http://www.ota.ca.gov). Regardless of how the documents are delivered, the submitting party should retain a copy of the documents and evidence of the date of the submission, such as proof of mailing or a facsimile confirmation page.

State of California, Office of Tax Appeals  
P.O. Box 989880  
West Sacramento, CA 95798-9880  
Facsimile: (916) 492-2089

- (b) When these regulations require a written notification or written acknowledgement to one or more parties during the course of an appeal, mail, as defined in regulation 30102, subdivision (n), will be used, unless there is an agreement with OTA to receive notification and acknowledgement by another method.
- (c) Unless and until a party notifies OTA in writing that they do not agree to electronic notice, email or other electronic notice shall be considered proper notice of any action by OTA to that party.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15672 and 15674, Government Code; Sections 20, 6561, 6561.5, 6566, 7710.5, 8851.5, 19045, 19047, 19048, 19085, 19087, 19104, 19331, 19333, 19334, 19345, 19346, 20645, 30261.5, 38442, 40092, 41086, 41091, 43302, 45302, 46352, 50115, 55082 and 60351, Revenue and Taxation Code.

**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 paragraph (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 a request for 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. If FTB fails to act on a request for innocent spouse relief within six months of the date that the request for innocent spouse relief is filed with FTB, the individual requesting innocent spouse relief may appeal to OTA at any time except that, once FTB mails a notice granting or denying, in whole or in part, innocent spouse relief, any appeal must be filed within 30 days of that notice.
  - (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.
- (b) **Appeals from decisions of CDTFA.** If an appeal is from a 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 the CDTFA Appeals Bureau decision is issued.
  - (2) Where a local entity is a party to a petition for redistribution of local or district tax and the CDTFA 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 the CDTFA Appeals Bureau decision is issued.
  - (3) If CDTFA's Appeals Bureau issues a revised or supplemental decision during the period within which a timely appeal could otherwise be filed with OTA, or notifies the taxpayer and any other 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. As an exception, in the case of a petition for redistribution of local or district tax, the time for filing an appeal will be extended to 60 days following the issuance of such revised or supplemental decision.
  - (4) If a party timely files with CDTFA's Appeals Bureau a request for reconsideration of an Appeals Bureau decision, the appeal before OTA will be held in abeyance pending CDTFA's 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's 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 requesting party.

- (5) For purposes of this division, the CDTFA Appeals Bureau decision is issued on the date it is mailed to the parties, except where the decision remands the appeal for reaudit. If the Appeals Bureau decision remands the appeal for reaudit, the Appeals Bureau decision is issued on the date in which the Appeals Bureau mails a letter to the parties explaining the results of the reaudit.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15672, 15674 and 15679, Government Code; Sections 20, 6538.5, 6562, 7700.5, 7711, 8828.5, 8852, 18533, 19043.5, 19045, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19334, 19343, 19346, 20645, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

#### 30204. **EXTENSIONS**

Unless the law provides otherwise, the deadlines for submitting an appeal or petition for rehearing via mail, other than electronic mail or facsimile, are extended, pursuant to Code of Civil Procedure section 1013, as follows:

- (a) Five days, if the notice or decision being appealed was mailed to an address within California;
- (b) Ten days, if the notice or decision being appealed was mailed to an address outside California, but within the United States; or
- (c) Twenty days, if the notice or decision being appealed was mailed to an address outside the United States.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Section 1013, Code of Civil Procedure; Sections 15672, 15674 and 15679, Government Code; Sections 20, 6538.5, 6562, 7700.5, 7711, 8828.5, 8852, 18533, 19043.5, 19045, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19334, 19343, 19346, 20645, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

#### 30205. **DATE OF MAILING**

Generally, in the absence of other evidence, the mailing date is the postmark 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 a state holiday, then the

deadline is extended to the next business day.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15672, 15674 and 15679, Government Code; Sections 20, 6538.5, 6562, 7700.5, 7711, 8828.5, 8852, 18533, 19043.5, 19045, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19334, 19343, 19346, 20645, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

### **30206. TRANSITION PROVISION FOR APPEALS FILED WITH OTHER AGENCIES**

Appeals must be submitted to OTA as set forth in this division. Notwithstanding this requirement, if an appeal or petition for rehearing should have been filed with OTA on or after January 1, 2018, but is timely submitted to the State Board of Equalization or CDTFA on or prior to December 31, 2019, 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15672, 15674 and 15679, Government Code; Sections 20, 6538.5, 6562, 7700.5, 7711, 8828.5, 8852, 18533, 19043.5, 19045, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19334, 19343, 19346, 20645, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

### **30207. ACKNOWLEDGING AN APPEAL**

- (a) **Acknowledgment of appeal.** Where OTA receives a timely appeal, OTA will send an acknowledgement of receipt of the appeal to each party to the appeal in a timely manner.
- (b) **Acknowledgement of petition for redistribution.** 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11440.20, 15672, 15674 and 15679, Government Code; Sections 20, 6538.5, 6539, 6562, 6566, 7700.5, 7707, 7711, 8828.5, 8829, 8852, 8855, 18533, 19043.5, 19045, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19334, 19343, 19346, 20645, 30244, 30262, 30265, 38434, 38443, 38447, 40093, 40097, 41087, 41091, 43303, 43307, 45303, 45307, 46353, 46357, 50116, 50120, 55087, 55083, 60352 and 60340, Revenue and Taxation Code.

### 30208. PERFECTING AN APPEAL

- (a) **Generally.** An appeal that has been accepted as valid is referred to as a perfected appeal. 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 an appeal.** If an appeal does not contain substantially all of the information required by regulation 30201, 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 good 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 party 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11415.40, 15672, 15674 and 15679, Government Code; Sections 20, 6538.5, 6562, 7700.5, 7711, 8828.5, 8852, 18533, 19043.5, 19045, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19334, 19335, 19343, 19345, 19346, 20645, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

### 30209. SUBMISSION FOR DECISION WITHOUT ORAL HEARING

- (a) **Generally.** If the appellant does not request an oral hearing under regulation 30401, or if appellant does not timely respond to a notice of oral hearing, appellant waives the right to an oral hearing and the appeal may 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22970.2, 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15606, 15672, 15674 and 15679, Government Code; Sections 20, 6538.5, 6562, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346, 20645 and 34013, Revenue and Taxation Code.

## ARTICLE 2. APPEAL PROCEDURES

### 30210. CONFERENCES

- (a) **Application.** The provisions of this article shall apply to all proceedings before OTA, including nonappearance matters and oral hearing matters.
- (b) **Generally.** Either OTA or a party to an appeal may request a 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. OTA will determine whether any conference is necessary, and the order, deadlines, and conditions of any conference. Unless otherwise directed by OTA, all conferences will be informal in nature and will not be recorded.
- (c) **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.
- (d) **Location of conference.** Conferences generally may be held telephonically, by video conference, or in person at an office of OTA in the counties 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.
- (e) **Notice and scheduling.** OTA will provide reasonable notice to the parties of the time and location of a prehearing conference. OTA will consult with the parties regarding the scheduling of any other conference and will provide reasonable written notice to the parties of the time and location of the conference.
- (f) **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.
- (g) **Additional evidence.** Unless otherwise directed by OTA, if any party anticipates providing evidence not already provided to OTA 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11445.10, 11445.30, 11445.40, 11470.10, 11511.5 and 15679.5, Government Code.

### 30211. REPRESENTATION

- (a) **Representation.** A party may be represented in an appeal by any authorized person or persons, at least 18 years of age, of the party's choosing.
- (b) **Recognition of representative.** OTA will recognize all authorized representatives who are identified in writing or orally at a hearing by the taxpayer. Authorized representatives shall be permitted to receive confidential information relating to the taxpayer they

- represent, and to act on behalf of the taxpayer in connection with an appeal before OTA.
- (c) **Substitution or withdrawal.** Parties must promptly notify OTA and the opposing party in writing of any substitutions or withdrawals of representation.
  - (d) **Suspended or disbarred representatives.** Notwithstanding subdivision (a), a person suspended or disbarred from practice before FTB pursuant to Revenue and Taxation Code section 19523.5 shall promptly notify OTA of the suspension or disbarment and may not represent any taxpayer in an appeal before OTA after the date of the suspension or disbarment.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15676 and 15678, Government Code; Section 19523.5, Revenue and Taxation Code.

### 30211.5. **PRIVILEGES**

The rules pertaining to privileges shall apply to the extent that they are required by law to be recognized. In addition, the protections of confidentiality shall apply to communications between a taxpayer and a federally authorized tax practitioner as provided in Revenue and Taxation Code sections 7099.1 and 21028.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 912, 954 and 980, Evidence Code; Sections 7099.1 and 21028, Revenue and Taxation Code.

### 30212. **CONSOLIDATION AND DECONSOLIDATION**

- (a) **Consolidation.** 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) **Deconsolidation.** 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 good cause exists to deconsolidate the appeals. OTA will promptly notify the parties if an appeal is deconsolidated.
- (c) **Objections.** Any party may submit a written objection to consolidation or deconsolidation. Any such objection should be submitted within 15 days of the party receiving notice of the request for consolidation or deconsolidation and should establish that consolidation or deconsolidation would have an adverse effect on a substantial right of the objecting party.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11507.3 and 15679.5, Government Code.

### 30213. **AUTHORITY OF ADMINISTRATIVE LAW JUDGES**



To the extent not otherwise provided by regulation or statute, in any proceeding where a Panel has been assigned to conduct an appeal, or otherwise consider a motion in a case before OTA, the Lead ALJ, or any member of the 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 and the agreed-upon facts, and identify 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 a conference or during a hearing, and ask for additional briefing;
- (e) Issue interlocutory and final orders, instructions, and decisions;
- (f) Issue post-hearing orders and sanctions as provided in regulation 30213.5;
- (g) Issue rulings on all motions timely and properly submitted to a Panel;
- (h) Order the closure of the record from receipt of further evidence or argument (or reopen a previously closed 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.

Note: Authority cited: Section 15679, Government Code. Reference: Article VI, Section 18, California Constitution; Sections 11425.50, 11425.60, 11475, 11475.10, 11475.20, 11475.30, 11475.40, 11475.50, 11475.60, 11475.70, 15670, 15672, 15674, 15679 and 15679.5, Government Code; Sections 20, 19047, 19087, 19331, 19333, 19335 and 19345, Revenue and Taxation Code.

### 30213.5 **ORDERS**

OTA may issue orders and sanctions to the parties 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11515 and 11523, Government Code; Sections 451 and 452, Evidence Code.

### 30214. **EVIDENCE**

- (a) **Informal discovery.** The provisions of the Rules for Tax Appeals govern the right to and method of discovery as to any proceeding governed by these regulations. OTA expects that parties appearing before OTA will cooperatively engage in informal discovery prior to requesting OTA involvement in the discovery process. Prior to the use of any process covered by these regulations a party must show that it has attempted informal discovery.
- (b) **Disclosure of witnesses and evidence.** OTA may request or require the disclosure of witnesses and evidence in an order.

- (c) **Privilege.** Nothing in this section shall authorize the inspection or copying of any writing or item which are privileged from disclosure by law or otherwise made confidential or protected as the attorney's work product.
- (d) **Subpoenas.** Upon a showing of good cause, OTA may allow subpoenas in accordance with the provisions of Government Code sections 11450.05 through 11450.50, if
  - (1) the person requesting the subpoena is the party bearing the burden of proof on the issue to which the subpoenaed materials relate; or
  - (2) the subpoena is to be issued to a nonparty to the appeal.
- (e) **Consideration of evidence.** Except as otherwise provided in the Rules for Tax Appeals, rules relating to evidence and witnesses contained in the California Evidence Code and California Code of Civil Procedure shall not apply to any proceedings, including oral hearings, before OTA. The following rules shall be applied to evidence presented to OTA:
  - (1) All relevant evidence shall be admissible.
  - (2) A person may prevent relevant evidence that is subject to a privilege from being disclosed as provided in regulation 30211.5.
  - (3) The Lead ALJ has discretion to exclude evidence if he or she determines that its probative value is substantially outweighed by the probability that its admission will necessitate undue consumption of time.
  - (4) The Panel may use the California rules of evidence when evaluating the weight to give evidence presented in a proceeding before OTA.
- (f) **Additional discovery.** A request for discovery beyond what is outlined in this section will be decided by an ALJ. Additional discovery will only be granted upon a showing of good cause, taking into consideration the factors set forth in regulation 30214.5.

Note: Authority cited: Sections 15679 and 15679.5, Government Code. References: Sections 11511, 11512, 11513, 11414, 11450.05 to 11450.50 and 15670, Government Code.

### 30214.5. NONCOMPLIANCE WITH DISCOVERY REQUESTS.

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.

- (a) **Motion to require discovery.** Any party claiming a request for discovery made pursuant to regulation 30214 has not been complied with may file with the OTA a motion to compel discovery pursuant to subdivisions (a) and (b) of Government Code section 11507.7. OTA may request a response from the opposing party. If a response is requested, the other party shall have a minimum of 30 days to respond to such a motion to compel discovery.
- (b) **Order on motion.** If in its discretion, OTA determines that the requested discovery made pursuant to this section is proper, OTA may issue an order to compel discovery as provided by subdivision (f) of Government Code section 11507.7. Notwithstanding Government Code section 11507.7, there is no right to present oral arguments on a



motion to compel discovery. The motion shall be decided based on the papers filed by the parties, and on any such evidence as OTA may allow.

- (c) **Grounds for denial of motion.** 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 motion to compel discovery without requesting a response from the other party. OTA will inform the parties that such a request for discovery is denied in writing no more than 15 days after the discovery motion is acknowledged by OTA.

Note: Authority cited: Sections 15679 and 15679.5, Government Code. References: Sections 11511, 11512, 11513, 11414, 11450.05 to 11450.50 and 15670, Government Code.

### 30215. **EX PARTE COMMUNICATIONS**

OTA shall follow the rules restricting ex parte communications contained 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.

Note: Authority cited: Sections 15679 and 15679.5, Government Code. References: Sections 11413.10 through 11413.80 and 15670, Government Code.

### 30216. **INCORPORATION OF THE ADMINISTRATIVE PROCEDURE ACT**

- (a) **Accessibility of hearings.** 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 parties 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 ALJ may take such actions with respect to an appeal.
- (b) **Nonappearance matters.** 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 these regulations. 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.
- (c) **Oral hearing matters.** 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 these regulations. 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, subdivision (b) will apply.

- (d) **Non-applicability.** The following provisions included in Chapters 4.5 and 5 of the Administrative Procedure Act shall not apply to proceedings before OTA: 11405.10-11405.80, 11415.60, 11420.10-11420.30, 11425.10, subdivision (e) of 11425.50, 11435.05-11435.65, 11440.10, 11460.10-11460.80, 11465.10-11465.70, 11470.10-11470.50, 11500-11507, 11507.5-11509, 11511.5-11513, 11516-11518 and 11519-11529.
- (e) **Exemption.** Where context or subject matter otherwise requires exception from the provisions of the Administrative Procedure Act, OTA is exempted from such provisions.
- (f) **Lead ALJ.** 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, or the Presiding ALJ if no Lead ALJ or Panel has been assigned to an appeal.
- (g) **Informal hearing procedures.** Notwithstanding any other part of this regulation, OTA may in its discretion use the informal hearing procedures found in the Administrative Procedure Act Chapter 4.5.
- (h) **Conflicts.** To the extent that any provision of the Administrative Procedure Act conflicts with these regulations, these regulations shall be controlling.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11513, 15674 and 15679.5, Government Code.

### 30217. DETERMINATION THAT APPEAL IS FRIVOLOUS

- (a) **Generally.** If a Panel determines that a franchise or income tax appeal is frivolous or has been filed or maintained primarily for the purpose of delay, OTA may impose a frivolous appeal penalty, under Revenue and Taxation Code section 19714, on an appellant.
- (b) **Factors considered.** OTA may consider any relevant factors in determining whether to impose a frivolous appeal penalty. Factors which may be relevant in determining whether to impose a frivolous appeal penalty, and in what amount, include, but are not limited to:
  - (1) Whether the appellant is making arguments that OTA, in a precedential opinion, or the State Board of Equalization, in a precedential 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; or
  - (5) Whether the appellant has been notified, in a current or prior appeal, that a frivolous appeal penalty may apply.

Note: Authority cited: Section 15679, Government Code; Section 19714, Revenue and Taxation Code. Reference: Sections 15606, 15670, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346, 19714 and 20645, Revenue and Taxation Code.

### **30218. APPLICATION OF ETHICS CODES**

Each OTA ALJ shall 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.

Note: Authority cited: Section 15679, Government Code. Reference: Article VI, Section 18, California Constitution; Sections 11475, 11475.10, 11475.20, 11475.30, 11475.40, 11475.50, 11475.60, 11475.70, 15606, 15670, 15672, 15674, 15676 and 15679, Government Code.

### **30219. APPLICATION OF BURDEN OF PROOF**

- (a) Except as otherwise specifically provided by law, the burden of proof is upon the appellant 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 by clear and convincing evidence.
- (c) Except as otherwise provided by law, the burden of proof requires proof by a preponderance of the evidence.

Note: Authority cited: Section 15679, Government Code. Reference: Article VI, Section 18, California Constitution; Sections 11475, 11475.10, 11475.20, 11475.30, 11475.40, 11475.50, 11475.60, 11475.70, 15606, 15670, 15672, 15674, 15676 and 15679, Government Code.

## **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 good cause.
- (b) For purposes of this regulation, good cause for a deferral or postponement may include, but is not limited to:
  - (1) 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;
  - (2) A party or a representative of a party cannot appear at a hearing or meet a briefing deadline due to an unavoidable scheduling conflict;
  - (3) A party has obtained a new representative who requires additional time to become familiar with the case;
  - (4) All parties desire a postponement;
  - (5) An appellant's involvement in a bankruptcy action that may impact the appeal proceedings or be relevant to the resolution of the issues on appeal; or
  - (6) Pending court litigation, or proceedings at the Agency, 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.
- (c) 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15672 and 15674, Government Code; Sections 6562, 7711, 8852, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

### **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 may reactivate the appeal and advise the parties as to the next step in the appeal.

Note: Authority cited: Section 15679, Government Code. Reference: Section 15672, Government Code; Sections 7093.5, 9271, 30459.1, 40211, 41171, 43522, 45867, 46622, 50156.11, 55332 and 60636, Revenue and Taxation Code.

### **30222. WRITTEN NOTICE**

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

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15672 and 15674, Government Code; Sections 6562, 7711, 8852, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

### **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 and 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.

Upon dismissal, OTA will notify the parties that the appeal has been dismissed.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15672 and 15674, Government Code; Sections 6562, 7711, 8852, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

### **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 a CDTFA Appeals Bureau decision, the appeal before OTA will be held in abeyance pending CDTFA's Appeals Bureau resolution of the request for reconsideration or appellant's withdrawal of the request for reconsideration.
- (b) When 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 restart pursuant to the relevant provisions of regulation 30203.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15672 and 15674, Government Code; Sections 6562, 7711, 8852, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

## **CHAPTER 4. 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 also will provide 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 consideration of all the facts and circumstances of that appeal.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 6538, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346 and 20645, Revenue and Taxation Code.

#### **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. OTA may waive this requirement if the parties represent that they have provided a copy of the brief and any supporting exhibits to the other parties.

- (c) **Extensions.** A party may request an extension of time for filing a brief. An extension request should be in writing, should state the reason(s) for the request, and should be submitted to OTA prior to the scheduled due date for that brief. OTA may extend, defer, or postpone briefing deadlines for good 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 provided 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 only be printed on one side of the page using a type-font size of at least 10 points or, at most, 12 characters per inch, or the equivalent. OTA may grant an exception to these requirements for good cause.
- (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, or in its discretion, accept the brief. 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 the reasons 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346 and 20645, Revenue and Taxation Code.

### 30303. GENERAL BRIEFING SCHEDULE

- (a) **Appellant's opening brief.** The appellant's appeal letter, if accepted as a valid appeal, 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 pursuant to regulation 30208, 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 permitted pursuant to regulation 30304.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346 and 20645, Revenue and Taxation Code.

#### 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. A party submitting 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. Grounds for a request for additional briefing may include new facts, arguments, evidence, or any other matter essential to the resolution of the appeal. If an additional brief is submitted outside of the applicable briefing schedule, OTA will determine whether there is good 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 briefs may use ordinary and informal language, and may be hand-written or typed.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346 and 20645, Revenue and Taxation Code.

## **ARTICLE 2. GENERAL BRIEFING SCHEDULE FOR INNOCENT SPOUSE APPEALS**

### **30310. APPLICATION**

The briefing schedule in this article applies to all appeals from notices, actions, or other decisions that grant or deny, in whole or in part, innocent spouse relief and which are subject to the jurisdiction of OTA.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 6456, 7202, 7203, 7261, 7262, 7270, 7657.5, 8880, 18533, 19006, 19045, 19047, 19048, 19084, 19085, 19087, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346, 30285, 32258, 38454.5, 40105, 41099, 43159.1, 43159.2, 45158, 46159, 50112.6, 55045.1 and 60210.5, Revenue and Taxation Code.

### **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.
- (d) The “non-appealing spouse” is the individual with whom the appealing spouse filed a joint return for the year(s) at issue.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19324, 19331, 19333, 19334, 19335, 19343, 19345 and 19346, Revenue and Taxation Code.

### **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 a 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.
- (e) Either party in an innocent spouse case may request a separate hearing.
- (f) A party in an innocent spouse case may request that an oral hearing or a portion of the oral hearing be closed to the public, and may request that items in the written record or the oral hearing record, in whole or in part, be sealed. Any such request should be made in writing to OTA, 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. The contents of the request will only be used in determining whether to grant the request. OTA will notify the other party that such a request has been made.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19324, 19331, 19333, 19334, 19335, 19343, 19345 and 19346, Revenue and Taxation Code.

### 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19324, 19331, 19333, 19334, 19335, 19343, 19345 and 19346, Revenue and Taxation Code.

### 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 60 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 no 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 joins 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 good cause.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19324, 19331, 19333, 19334, 19335, 19343, 19345 and 19346, Revenue and Taxation Code.

### 30315. **REPLY BRIEFS**

- (a) **Appealing spouse's reply brief.** The appealing spouse may submit a reply brief not later than 30 days from the later of:
  - (1) The date OTA acknowledges receipt of the Agency's opening brief;
  - (2) The date OTA acknowledges receipt of the non-appealing spouse's opening brief, if one is submitted; or
  - (3) 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.
- (b) **Contents of reply brief.** 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.
- (c) **Other reply briefs.** The non-appealing spouse may file a reply brief within 30 days from the date OTA acknowledges the appealing spouse's reply brief. The Agency may request permission to file a reply brief. A reply brief may only address points of disagreement with a brief previously submitted by another party.
- (d) **Conclusion of briefing.** If neither the non-appealing spouse nor the Agency submit a reply brief, the briefing schedule is concluded.
- (e) **Additional briefing.** Additional briefing may be requested pursuant to regulation 30304.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19324, 19331, 19333, 19334, 19335, 19343, 19345 and 19346, Revenue and Taxation Code.

### 30316. **CONFORMITY WITH FEDERAL ACTION**

If, prior to a Panel's decision on the appeal, any party to an income tax 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) **Federal action.** 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) **Notification to other parties.** 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) **Additional briefing.** If FTB and/or the non-requesting spouse provides information as permitted by subdivision (b) of this regulation, the requesting spouse may submit an additional brief. If FTB did not provide information as permitted by subdivision (b), 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 subdivision (b) of this regulation. Any brief submitted pursuant to this subdivision may only address points of disagreement with the information submitted pursuant to subdivision (b) of this regulation. 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) **Briefing schedule.** If a party receives notification that relief has been granted under Internal Revenue Code section 6015, then the briefing schedule will not be concluded until the requirements of this regulation are satisfied. If a party receives notification that relief has been granted under Internal Revenue Code section 6015 after the briefing schedule has concluded, then briefing will be reopened to comply with this regulation and any hearing or decision will be postponed as appropriate.
- (e) **Limitation.** This regulation 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 18533, 19006, 19045, 19047, 19048, 19084, 19085, 19087, 19324, 19331, 19333, 19334, 19335, 19343, 19345 and 19346, Revenue and Taxation Code.

## **CHAPTER 5. 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 by law. An appellant may request an oral hearing in writing at any time prior to the completion of briefing. The request may be

included in the appellant's appeal letter or briefing and should indicate whether the appellant is requesting a hearing in Sacramento, Los Angeles, or Fresno counties.

- (1) At the close of briefing OTA will send the appellant a form to request an oral hearing or a confirmation notice to confirm a request for an oral hearing. The appellant has 15 days from the date of the form to request or confirm a previously made request for an oral hearing in writing. If a request for oral hearing is not received by OTA 15 days after the date of the form, the appellant will be deemed to have waived the right to an oral hearing and the matter may be determined on the written record.
  - (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 good cause.
  - (4) OTA may send an appellant a confirmation notice(s) to determine whether the appellant still seeks an oral hearing. If the appellant fails to respond to OTA's confirmation notice by the deadline set in the confirmation notice, the appellant waives the right to have an oral hearing, unless OTA is advised by the appellant that it still wants an oral hearing and OTA determines that there is good cause for appellant's failure to timely respond to the confirmation notice.
- (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) **Separate oral hearings.** If a Panel conducts separate oral hearings, the Panel will not decide the appeal until both hearings have concluded.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11440.20, 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 6562, 7711, 8852, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19331, 19333, 19343, 19345, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

#### 30402. NOTICE OF ORAL HEARING

- (a) **Notice of oral hearing.** 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) **Time of notice.** Unless all parties agree to waive this notice requirement and agree to a shorter notice period, a notice of oral hearing will be sent to the parties at least 45 days prior to the oral hearing date.
- (c) **Contents of notice.** 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11440.20, 11445.30, 11509, 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 6562, 7711, 8852, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19331, 19333, 19343, 19345, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

### 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 the 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 to the notice of oral hearing should describe the person's disability and the accommodation sought.
- (d) The name and address of all witnesses who will testify for the party.
- (e) 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.
- (f) Such other information as OTA may reasonably request in order to facilitate a fair and orderly oral hearing.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11425.10, 11435.15, 11435.20, 11435.25, 11435.55, 11435.60, 11440.20, 11445.30, 11509, 15672, 15674 and 15679, Government Code; Sections 20, 6562, 7711, 8852, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19331, 19333, 19343, 19345, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

#### 30404. **WAIVER OF ORAL HEARING**

- (a) **Failure to respond to notice of oral hearing.** 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 subdivision (b) below.
- (b) **Good cause exception.** 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 good cause for failing to appear or return the hearing notice.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11415.40, 11440.20, 11445.30, 11509, 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 6562, 7711, 8852, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19331, 19333, 19343, 19345, 30262, 38443, 40093, 41087, 3303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

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

A matter that has been scheduled for an oral hearing date will be posted on OTA's website at least 15 calendar days before the hearing date.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11440.20, 11445.30, 11509, 15570.54, 15672, 15674 and 15679, Government Code; Sections 20, 6562, 7711, 8852, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19331, 19333, 19343, 19345, 30262, 38443, 40093, 41087, 43303, 45303, 46353, 50116, 55083 and 60352, Revenue and Taxation Code.

### **ARTICLE 2. CONDUCTING AN ORAL HEARING**

#### 30410. **ORAL HEARING RIGHTS**

Each party shall have these rights at an oral hearing: to call and question witnesses; to introduce exhibits; and to respond to the evidence against that party. Where a party offers oral testimony as evidence at an oral hearing, the oral evidence shall be taken only on oath or affirmation. Nothing in this regulation limits the authority and discretion of the ALJ's to control proceedings as otherwise provided in these Rules for Tax Appeals or permitted by law.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11513 and 11528, Government Code.

#### 30411. **DISQUALIFICATION OF ADMINISTRATIVE LAW JUDGE FOR CAUSE**



Any party may file a motion to disqualify for cause any of the ALJ's assigned to a Panel, based upon the grounds set forth in Government Code sections 11425.30 to 11425.40. There is no right to peremptory challenges.

Note: Authority cited: Section 15679, Government Code. Reference: Article VI, Section 18, California Constitution; Sections 11425.30, 11425.40, 11475, 11475.10, 11475.20, 11475.30, 11475.40, 11475.50, 11475.60, 11475.70, 15670, 15672, 15674 and 15679.5, Government Code.

### 30412. CONCLUDING AN ORAL HEARING

Upon concluding an oral hearing proceeding, the Panel will determine the submission date when the official oral 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 oral hearing record.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11425.10, 11425.50 and 15672, Government Code; Sections 20, 19047, 19333 and 19345, Revenue and Taxation Code.

## ARTICLE 3. MOTIONS AND PRESENTATION OF EVIDENCE AT AN ORAL HEARING

### 30420. PRESENTING INFORMATION AND DOCUMENTS AT ORAL HEARING

- (a) **Exhibits.** Each party may provide exhibits and, if a party provides exhibits, the party should provide a list of its exhibits that includes a brief description of each document. All exhibits should be labeled as follows: the appellant should use numbers to identify exhibits, and the respondent should 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 labeled numerically and preceded with the letter "J."

The parties should exchange all exhibit lists and copies of their exhibits at least 15 calendar days before the hearing, or earlier if directed to do so by OTA.

The Agency should 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 appellant (if applicable), to OTA and provide a copy to the other party at least 15 calendar days before the hearing or earlier if directed to do so by OTA.

Any witness who will testify as an expert must be clearly identified as such on the

witness list, and the party calling that witness shall include in its witness list a brief description of the purpose of each expert witness's testimony, and provide a copy of any reports prepared by the expert witness at least 15 calendar days prior to a hearing.

- (c) **Witness Declarations.** Parties may submit declarations of persons who will not be present at the hearing. Declarations should be signed under penalty of perjury and filed with the party's brief in accordance with regulation 30303, unless otherwise directed by OTA.

The opposing party will have 30 calendar days after receipt of a witness declaration to mail or deliver to the other party, with a copy to OTA, written questions for the witness and/or a request for documentation relating to the subject matter of the witness statements, otherwise that party will waive their right to question the witness. The witness should provide a response, signed under penalty of perjury, with a copy to OTA, within 30 calendar days of receiving the questions and/or request. If a party waives their right to question the witness and/or request related documentation, the declaration, if introduced in evidence, shall be given the same effect as if the witness had testified orally. If a witness does not provide a timely response to written questions or request for related documentation, the declaration may be introduced into evidence, but may be given limited weight.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11445.30, 11509, 11511, 15672, 15674 and 15679, Government Code; Sections 20, 19047, 19087, 19333 and 19345, Revenue and Taxation Code.

#### 30421. **MOTIONS**

- (a) All motions made prior to the oral hearing shall be directed to the Lead ALJ or to a Presiding ALJ.
- (b) A motion shall be made with written notice to all parties, unless the motion is made during a hearing while on the record.
- (c) The Lead ALJ assigned to a Panel or a Presiding ALJ may decide prehearing motions, order additional briefing on the issue, or defer a decision until the date of the hearing. The timing and response shall be at the discretion of the Lead ALJ or a Presiding ALJ.
- (d) Except as otherwise provided by statute or regulation, or as permitted by the Lead ALJ or a Presiding ALJ, a motion shall be filed at least 15 days before the start of the oral hearing, and any response to the motion shall be filed by the due date specified by OTA.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11445.30, 11509, 11511.5, 11512, 15672, 15674 and 15679, Government Code; Sections 20, 19047, 19087, 19333 and 19345, Revenue and Taxation Code.

### **ARTICLE 4. OBSERVATION OF ORAL HEARINGS**

#### 30430. **PUBLIC TRANSPARENCY**



- (a) Oral hearings before a Panel are open to the public, unless otherwise ordered in accordance with this section. The submission of an appeal constitutes a waiver of the right to confidentiality with regard to all of the briefing and other information provided to OTA by either the party or an Agency, including CDTFA or FTB. OTA may disclose information pursuant to 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 regulation prohibits any party to an OTA hearing, ALJ's, or OTA staff from referring to information described in this regulation 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 6254, 11124.1, 11425.10, 11425.20, 15619, 15674 and 15675, Government Code; Sections 20, 7081, 19542, 19545 and 20645, Revenue and Taxation Code.

### **30431. REQUESTS TO CLOSE AN ORAL HEARING FROM PUBLIC OBSERVATION OR SEAL THE RECORD**

An appellant may request that an oral hearing or a portion of the oral hearing be closed to the public, and may request that items in the written record or the oral hearing record, in whole or in part, 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 6254, 11124.1, 11425.10, 11425.20, 15619, 15674, 15675 and 15676.5, Government Code; Sections 20, 7081, 19542, 19545 and 20645, Revenue and Taxation Code.

### **30432. CLOSING HEARINGS, SEALING THE RECORD, AND REDACTING INFORMATION**

- (a) OTA shall determine whether to grant a request, pursuant to regulation 30431, to close an oral hearing or seal items that are contained in the written record or the oral hearing record, in whole or in part, or redact information in a decision or other documents 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. In reaching such a determination, OTA may consider:
    - (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) Where a request for a closed hearing is made, 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) Any request to seal records will be applied to as narrow a set of records as required under the circumstances.
  - (c) No later than 15 days after the mailing of a decision, a party may mail a written request to redact information in the decision or in other documents filed with OTA.
  - (d) 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 the oral hearing record.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 6254, 11124.1, 11425.10, 11425.20, 15619, 15674, 15675 and 15676.5, Government Code; Sections 20, 7081, 19542, 19545 and 20645, Revenue and Taxation Code.

### **30433. RULING UPON A REQUEST TO CLOSE AN ORAL HEARING, SEAL RECORDS, OR REDACT INFORMATION**

OTA shall issue a written notice granting or denying any request provided in regulation 30432.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 6254, 11124.1, 11425.20, 15619, 15674 and 15676.5, Government Code; Sections 20, 7081, 19542, 19545 and 20645, Revenue and Taxation Code.

## **CHAPTER 6. Decision by Written Opinion**

### **30501. PUBLICATION OF A WRITTEN DECISION**

- (a) **Publication of opinions.** 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 its reasons for granting or denying the appeal, in whole or in part.

- (b) **Contents of opinion.** 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 ALJ's and any ALJ(s) concurring in or dissenting from the Panel's opinion.
- (c) **Concurring and dissenting opinions.** To issue a decision on an appeal, at least two of the 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) **Timeframe for publication.** Within 100 days after the date the Panel's decision becomes final, OTA will publish the Panel's opinion as OTA's written decision for the appeal on OTA's website.
- (e) **Numbering.** 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. For example, if the second opinion published in 2018 were a precedential decision, its decision number would be "2018-OTA-002P."
- (f) **Sealing the record or redaction.** An appellant may request to seal the record in an appeal or redact information in a decision as described in regulation 30432.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11425.10, 11425.50, 15570.54, 15672, 15674, 15675 and 15679, Government Code; Sections 20, 40, 8852, 8853, 18533, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346, 30263, 38445, 40095, 41089, 43305, 45305, 46355, 50118, 55085 and 60354, Revenue and Taxation Code.

### 30502. CITATION OF OTA OPINIONS AND PRECEDENTIAL EFFECT

- (a) **Requesting precedential status.** Any person may propose that an opinion be given precedential effect. Parties may communicate such a proposal to an email address listed on OTA's website.
- (b) **Nonprecedential opinions.** 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) **Determination of precedential status.** OTA will decide whether an opinion will be precedential. OTA may 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) **Review of precedential status.** The Chief Counsel of OTA or his or her designee shall determine if a written opinion should be precedential in consultation with the Presiding ALJ's. The Director of OTA or his or her designee can reject a decision to make a written opinion precedential.

(1) The Director of OTA shall not be involved in deciding any appeal.

(2) The Director shall only have the authority to accept or reject the determination that a decision shall be precedential.

(e) **Posting of precedential decisions.** Precedential decisions shall be posted on the website, and when first posted will be marked as "Pending Precedential." Thirty days after being posted as "Pending Precedential," the decision automatically becomes Precedential unless noted as "Nonprecedential" on the website.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11425.10, 11425.50, 11425.60, 15570.54, 15672, 15674, 15675 and 15679, Government Code; Sections 20, 40, 8853, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346, 30263, 38445, 40095, 41089, 43305, 45305, 46355, 50118, 55085 and 60354, Revenue and Taxation Code.

### 30503. **WITHDRAWAL OF PRECEDENTIAL OTA OPINIONS**

In the written opinion for an appeal before OTA, OTA may withdraw, in whole or in part, the precedential status of an opinion previously designated as precedential. OTA shall explain why the precedential status is being removed. When OTA withdraws the precedential status of a previously issued opinion, the notation of the precedential status will be removed from the opinion and published as an overturned decision on OTA's website.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11425.10, 11425.50, 11425.60, 15570.54, 15672, 15674, 15675 and 15679, Government Code; Sections 20, 40, 8853, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346, 30263, 38445, 40095, 41089, 43305, 45305, 46355, 50118, 55085 and 60354, Revenue and Taxation Code.

### 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 OTA's opinion removing the precedential status.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11425.10, 11425.50, 11425.60, 15570.54, 15672, 15674, 15675 and 15679, Government Code; Sections 20, 40, 8853, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346, 30263, 38445, 40095, 41089, 43305, 45305, 46355, 50118, 55085 and 60354, Revenue and Taxation Code.

### 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, and not the date that notice of the Panel's written opinion is received by a party.
- (b) **Correction of errors.** If OTA discovers a typographical or non-substantial error in a decision that has been issued, OTA may correct such errors in the published decision and include an addendum identifying such corrections. Such corrections do not affect the date the decision becomes final. For purposes of this section, an error is typographical or non-substantial if it does not change, in whole or in part, the holding of the case.
- (c) **Severing an appeal.** A Panel may sever an issue or issues from an appeal for separate consideration and issue an opinion on the severed issue or issues 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 22973.1, 22977.2 and 22979, Business and Professions Code; Sections 11425.10, 11425.50, 15570.54, 15672, 15674, 15675 and 15679, Government Code. Reference: Sections 20, 40, 8852, 8853, 18533, 19043.5, 19045, 19047, 19048, 19084, 19085, 19087, 19104, 19324, 19331, 19333, 19334, 19335, 19343, 19345, 19346, 30263, 38445, 40095, 41089, 43305, 45305, 46355, 50118, 55085 and 60354, Revenue and Taxation Code.

## **CHAPTER 7. Petitions for Rehearing**

### 30601. **DEFINITIONS**

For purposes of this chapter, the "filing party" is the party who files a petition for rehearing, and the "non-filing party" is the party who does not submit a petition for rehearing.

Note: Authority cited: Section 15679, Government Code. Reference: Section 15672, Government Code; Sections 19048, 19334 and 19346, Revenue and Taxation Code.

### **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 filing 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 filing 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 OTA determines that the petition substantially complies with regulation 30603, or that other good cause exists to accept the petition for rehearing.

Note: Authority cited: Section 15679, Government Code. Reference: Section 15672, Government Code; Sections 19048, 19334 and 19346, Revenue and Taxation Code.

### **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 filing party and, if applicable, the filing party's authorized representative;
- (c) any portion of the amount at issue conceded by the filing party;
- (d) the signature of each filing party or the signature of an authorized representative made on behalf of each filing party; and
- (e) facts and argument explaining why the filing party believes there are grounds for rehearing.

Note: Authority cited: Section 15679, Government Code. Reference: Section 15672, Government Code; Sections 19048, 19334 and 19346, Revenue and Taxation Code.

### **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 the appeal proceedings and prior to the issuance of the written opinion, 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.

Note: Authority cited: Section 15679, Government Code. Reference: Section 15672, Government Code; Section 657, Code of Civil Procedure; Sections 19048, 19334 and 19346; Revenue and Taxation Code.

### 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, even if the underlying petition for rehearing was filed by the other party. If OTA receives a submission intended as such a petition for rehearing, OTA must reject the submission.

Note: Authority cited: Section 15679, Government Code. Reference: Section 15672, Government Code; Sections 19048, 19334 and 19346, Revenue and Taxation Code.

### 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. A Panel may also modify the prior decision based on the written record, including the petition for rehearing and the briefing submitted with it, to make a typographical or non-substantial change without granting the petition for rehearing. For purposes of this section, an error is typographical or non-substantial if it does not change, in whole or in part, the holding of the case.

If a Panel denies a petition for rehearing, then OTA's initial decision in the appeal, and 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.

Note: Authority cited: Section 15679, Government Code. Reference: Section 15672, Government Code; Sections 19048, 19334 and 19346, Revenue and Taxation Code.

### 30607. BRIEFING ON REHEARING

- (a) **General application.** Regulation 30302 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 the 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.

Note: Authority cited: Section 15679, Government Code. Reference: Section 15672, Government Code; Sections 19048, 19334 and 19346, Revenue and Taxation Code.

## CHAPTER 8. 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) (Revenue and Taxation Code sections 6001–7279.6)
- (12) Underground Storage Tank Maintenance Fee (Revenue and Taxation Code sections 50101–50162)
- (13) Use Fuel Tax Law (Revenue and Taxation Code sections 8601–9355)

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15670, 15674 and 15676, Government Code; Sections 20, 7091, 7156, 8269, 9269, 18533, 19043.5, 19047, 19085, 19104, 19333, 19345, 20645, 21013, 30458.9, 38708, 40209, 41169, 43520, 45865, 46620, 50156.9, 55330 and 60630, Revenue and Taxation Code.

### 30702. APPEALS FROM ACTIONS OF 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15670, 15674 and 15676, Government Code; Sections 20, 7156, 18533, 19043.5, 19047, 19085, 19104, 19324, 19331, 19333, 19334, 19343, 19345, 19346, 20645 and 21013, Revenue and Taxation Code.

### 30703. APPEALS FROM CDTF

- (a) **Limitation on reimbursement claims.** For reimbursement claims involving a tax or

fee program administered by CDTFA 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.

- (b) **Limitations on fees and expenses.** 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:
- (1) The claimant had previously submitted an appeal to OTA for review of an unfavorable decision issued by CDTFA’s Appeals Bureau;
  - (2) a Panel granted, in whole or in part, the appeal in favor of the taxpayer; and
  - (3) 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.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15670, 15674 and 15676, Government Code; Sections 7091, 7156, 8269, 9269, 30458.9, 38708, 40209, 41169, 43520, 45865, 46620, 50156.9, 55330 and 60630, Revenue and Taxation Code.

#### 30704. **DETERMINATION OF REASONABLE FEES**

- (a) **Appeals from FTB.** 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).
- (b) **Appeals from CDTFA.** 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).

Note: Authority cited: Section 15679, Government Code. Reference: Sections 15672 and 15674, Government Code; Sections 7091, 7156, 8269, 9269, 19717, 30458.9, 38708, 40209, 41169, 43520, 45865, 46620, 50156.9, 55330 and 60630, Revenue and Taxation Code.

#### 30705. **CLAIM PROCEDURE**

A reimbursement claim must be submitted to 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 good cause, if the written request is submitted to OTA prior to the scheduled due date of the claim. If the claim is incomplete, the claimant will be granted 30 additional days to complete the claim. Failure to submit a complete claim within the time granted will result in dismissal of the claim by OTA.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11440.20, 15670, 15674 and 15676, Government Code; Sections 20, 7091, 7156, 8269, 9269, 18533, 19047, 19085, 19104, 19333, 19345, 20645, 21013, 30458.9, 38708, 40209, 41169, 43520, 45865, 46620, 50156.9, 55330 and 60630, Revenue and Taxation Code.

#### 30706. **DISMISSAL; AGENCY STATEMENT; RESPONSES; ORAL HEARINGS**

The following provisions shall apply to a reimbursement claim submitted to 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 good cause, if a written request is submitted with OTA before the scheduled due date of the statement.
- (c) **Claimant response.** OTA shall send a copy of the Agency statement to the claimant, who will be given the opportunity to respond within 60 days of mailing 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 good 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 timely requested pursuant to Regulation 30401. The claimant and the Agency will receive notice of the hearing at least 45 days prior to the scheduled date and time. Oral hearing may be waived by the claimant, in which case the matter will be submitted for decision on the written record.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11440.20, 15670, 15674 and 15676, Government Code; Sections 20, 7091, 7156, 8269, 9269, 18533, 19047, 19085, 19104, 19333, 19345, 20645, 21013, 30458.9, 38708, 40209, 41169, 43520, 45865, 46620, 50156.9, 55330 and 60630, Revenue and Taxation Code.

### 30707. 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 of a claim made under this chapter.

Note: Authority cited: Section 15679, Government Code. Reference: Sections 11440.20 and 15674, Government Code; Sections 7091, 7156, 8269, 9269, 30458.9, 38708, 40209, 41169, 43520, 45865, 46620, 50156.9, 55330 and 60630, Revenue and Taxation Code.