

# Income Tax Amnesty Application



State of California  
Franchise Tax Board



## For Individuals

If you missed filing a California income tax return, underreported your tax liability, or did not pay on time, this application could help you correct those errors – and you may not have to pay the related penalties and fees.

After you complete your application process, we will waive most of the unpaid penalties and fees you would otherwise owe, and we will not bring any criminal action against you based on the information you provide with your application.

**You must apply for amnesty between February 1 and March 31, 2005.** You have until May 31, 2005, to file missing or amended returns and pay your tax and interest. You can find instructions and additional information on the back of this application.

Applicant's name

Social Security Number or FEIN

Spouse's name (if joint application)

Spouse's Social Security Number

Address

City, State, Zip

**Check the years you want included in amnesty.**  
**Liabilities for tax years 2003, 2004, and later do not qualify for tax amnesty.**

- |                               |                                |                                |
|-------------------------------|--------------------------------|--------------------------------|
| <input type="checkbox"/> 2002 | <input type="checkbox"/> 1998  | <input type="checkbox"/> _____ |
| <input type="checkbox"/> 2001 | <input type="checkbox"/> 1997  | <input type="checkbox"/> _____ |
| <input type="checkbox"/> 2000 | <input type="checkbox"/> _____ | <input type="checkbox"/> _____ |
| <input type="checkbox"/> 1999 | <input type="checkbox"/> _____ | <input type="checkbox"/> _____ |

## Amnesty Application Agreement

I understand that by signing this application and completing amnesty, I give up my right to protest, appeal, or file a claim for refund or credit on those amounts for which I have selected amnesty. My amnesty will be cancelled if I do not file my income tax returns and pay any resulting income taxes for taxable years 2005 and 2006. I am signing this document under penalty of perjury.

Applicant's name (Print)

Applicant's signature

Date

Daytime telephone number

(     )

Spouse's name (Print)

Spouse's signature (if joint return)

Date

Daytime telephone number

(     )

# California Tax Amnesty

## Apply February 1, 2005, through March 31, 2005

### What is tax amnesty?

Tax amnesty is a limited-time chance for individuals and businesses to pay past-due income, franchise, sales, or use taxes, and the related interest, free of most penalties and fees, and without fear of criminal prosecution. Taxpayers who are eligible to participate in amnesty but choose not to do so may be subject to substantial, new penalties. The amnesty program applies to taxable years beginning before January 1, 2003.

### What must I do to participate in amnesty?

**Step 1:** Complete this application and submit it to the address below by March 31, 2005.

**Step 2:** Pay and file by May 31, 2005.

File required returns and pay any tax and interest due for the years you want included in amnesty.

You may pay by check made payable to Franchise Tax Board, or go to [www.ftb.ca.gov](http://www.ftb.ca.gov) to pay electronically. If you can't pay in full by May 31, 2005, you may be eligible to pay in an installment agreement that extends your final due date to June 30, 2006. Check our Website or call for more information (see below).

Send all amnesty applications, payments, and tax returns to:

Franchise Tax Board  
PO Box 942867  
Sacramento CA 94267-1111

**California has a tax information exchange agreement with the IRS. What you disclose under state tax amnesty will be available to them.**

### Where can I get more information?

**At [www.ftb.ca.gov](http://www.ftb.ca.gov):**

- Get your current amnesty balance approximately two weeks after you file your application.
- Get forms and other needed instructions.
- Get the latest tax amnesty information.

**By telephone:**

- Get your current amnesty balance approximately two weeks after you file your application, by dialing (800) 338-0505.
- Get tax forms for years 2002 and earlier by dialing (800) 852-5711. When calling from outside the United States, dial (916) 845-6500 (not toll-free). Please allow two weeks to receive your order (three weeks if you live outside California).
- Get general tax amnesty information by dialing (800) 338-0505.

Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

### What taxpayers and issues qualify for tax amnesty?

Amnesty is open to both individuals and businesses for taxable years 2002 and prior, if they:

- Did not file the required California tax returns.
- Underreported income on a previously filed tax return.
- Claimed excessive deductions.
- Did not pay income/franchise, sales, or use taxes on time.

Amnesty is not open for:

- Taxpayers currently under criminal investigation or prosecution on tax-related matters.
- Abusive tax shelter items that were eligible for relief under California's Voluntary Compliance Initiative or the IRS's Offshore Voluntary Compliance Initiative. These initiatives applied to taxpayers who invested in abusive tax shelters. **Note:** These taxpayers are eligible for amnesty for non-abusive tax shelter items.

### What happens if I choose not to participate in the amnesty program?

If you choose not to participate in amnesty for taxable years beginning before January 1, 2003, we may take the following actions:

- Impose a mandatory 50 percent interest-based penalty on any existing unpaid interest amount on amnesty-eligible taxable years. **Exception:** If you have an existing installment agreement as of February 1, 2005, we won't impose this penalty on any unpaid interest you still owe under the agreement after the amnesty period.
- Impose a mandatory 50 percent interest-based penalty on future liabilities assessed for amnesty-eligible taxable years.
- Assess an increased accuracy-related penalty on new deficiency assessments.
- Pursue stepped-up enforcement efforts.

We will begin taking these actions on April 1, 2005.

**Keep a copy of both sides of this document for your records.**

**Important:** If you are currently under bankruptcy protection (Title 11 of the United States Code) for one or more of the tax years you select, you must obtain an order approving your participation in the amnesty program from the Federal Bankruptcy Court having jurisdiction over your bankruptcy case. If you received a discharge from a bankruptcy court for any of the tax years listed, please contact us so we can update our records.