

ASSEMBLY BILL

No. 1222

Introduced by Assembly Member Bloom

February 22, 2013

An act to amend Sections 7094, 9272, 30459.2, 32472, 40212, 41172, 43523, 45868, 46623, 50156.12, 55333, and 60632 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 1222, as introduced, Bloom. Tax administration: Taxpayers' Rights Advocate: levy or notice to withhold: return of funds.

Under the Sales and Use Tax Law, the Use Fuel Tax Law, the Alcoholic Beverage Tax Law, the Energy Resources Surcharge Law, the Emergency Telephone Users Surcharge Act, the Hazardous Substances Tax Law, the Integrated Waste Management Fee Law, the Oil Spill Response, Prevention, and Administration Fees Law, the Underground Storage Tank Maintenance Fee Law, and the Diesel Fuel Tax Law, the Taxpayers' Rights Advocate is authorized to order, within 90 days of the receipt of funds pursuant to a levy or notice to withhold, the return of any amount not exceeding \$1,500, upon a finding that the levy or notice to withhold threatens the health or welfare of the taxpayer, or his or her spouse and dependents or family.

This bill would increase the amount the Taxpayers' Rights Advocate is authorized to order returned to \$2,300, and would authorize this amount to be adjusted for inflation, as provided.

Under the Cigarette and Tobacco Products Law and the Fee Collection Procedures Law, the Taxpayers' Rights Advocate is authorized to order the release of a levy or notice to withhold upon his or her finding that

the levy or notice to withhold threatens the health or welfare of the taxpayer, or his or her spouse and dependents or family.

This bill would additionally authorize the Taxpayers’ Rights Advocate to order, within 90 days of the receipt of funds pursuant to a levy or notice to withhold, the return of any amount not exceeding \$2,300, upon a finding that the levy or notice to withhold threatens the health or welfare of the taxpayer, or his or her spouse and dependents or family, and would authorize this amount to be adjusted for inflation, as provided.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 7094 of the Revenue and Taxation Code
 2 is amended to read:

3 7094. (a) The board shall release any levy or notice to withhold
 4 issued pursuant to this part on any property in the event that the
 5 expense of the sale process exceeds the liability for which the levy
 6 is made.

7 (b) (1) The Taxpayers’ Rights Advocate may order the release
 8 of any levy or notice to withhold issued pursuant to this part or,
 9 within 90 days from the receipt of funds pursuant to a levy or
 10 notice to withhold, order the return of any amount up to ~~one two~~
 11 ~~thousand five~~ *three* hundred dollars ~~(\$1,500)~~ (\$2,300) of moneys
 12 received, upon his or her finding that the levy or notice to withhold
 13 threatens the health or welfare of the taxpayer or his or her spouse
 14 and dependents or family.

15 (2) *The board shall adjust the*
 16 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
 17 *paragraph (1) as follows:*

18 (A) *On or before March 1, 2014, and on or before March 1 each*
 19 *year thereafter, the board shall multiply the amount applicable*
 20 *for the current fiscal year by the inflation factor adjustment*
 21 *calculated based on the percentage change in the Consumer Price*
 22 *Index, as recorded by the California Department of Industrial*
 23 *Relations for the most recent year available, and the formula set*
 24 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
 25 *resulting amount will be the applicable amount for the succeeding*
 26 *fiscal year only when the applicable amount computed is equal to*

1 *or exceeds a new operative threshold, as defined in subparagraph*
2 *(C).*

3 *(B) When the applicable amount equals or exceeds an operative*
4 *threshold specified in subparagraph (C), the resulting applicable*
5 *amount, rounded to the nearest multiple of one hundred dollars*
6 *(\$100), shall be operative for purposes of paragraph (1) beginning*
7 *July 1 of the succeeding fiscal year.*

8 *(C) For purposes of this paragraph, “operative threshold”*
9 *means an amount that exceeds by at least one hundred dollars*
10 *(\$100) the greater of either the amount specified in paragraph (1)*
11 *or the amount computed pursuant to subparagraphs (A) and (B)*
12 *as the operative adjustment to the amount specified in paragraph*
13 *(1).*

14 *(c) The board shall not sell any seized property until it has first*
15 *notified the taxpayer in writing of the exemptions from levy under*
16 *Chapter 4 (commencing with Section 703.010) of Title 9 of the*
17 *Code of Civil Procedure.*

18 *(d) This section shall not apply to the seizure of any property*
19 *as a result of a jeopardy assessment.*

20 SEC. 2. Section 9272 of the Revenue and Taxation Code is
21 amended to read:

22 9272. (a) The board shall release any levy or notice to withhold
23 issued pursuant to this part on any property in the event that the
24 expense of the sale process exceeds the liability for which the levy
25 is made.

26 (b) (1) The Taxpayers’ Rights Advocate may order the release
27 of any levy or notice to withhold issued pursuant to this part or,
28 within 90 days from the receipt of funds pursuant to a levy or
29 notice to withhold, order the return of any amount up to ~~one two~~
30 ~~thousand-five three~~ *thousand three* hundred dollars ~~(\$1,500)~~ *(\$2,300)* of moneys
31 received, upon his or her finding that the levy or notice to withhold
32 threatens the health or welfare of the taxpayer or his or her spouse
33 and dependents or family.

34 (2) *The board shall adjust the*
35 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
36 *paragraph (1) as follows:*

37 (A) *On or before March 1, 2014, and on or before March 1 each*
38 *year thereafter, the board shall multiply the amount applicable*
39 *for the current fiscal year by the inflation factor adjustment*
40 *calculated based on the percentage change in the Consumer Price*

1 *Index, as recorded by the California Department of Industrial*
 2 *Relations for the most recent year available, and the formula set*
 3 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
 4 *resulting amount will be the applicable amount for the succeeding*
 5 *fiscal year only when the applicable amount computed is equal to*
 6 *or exceeds a new operative threshold, as defined in subparagraph*
 7 *(C).*

8 *(B) When the applicable amount equals or exceeds an operative*
 9 *threshold specified in subparagraph (C), the resulting applicable*
 10 *amount, rounded to the nearest multiple of one hundred dollars*
 11 *(\$100), shall be operative for purposes of paragraph (1) beginning*
 12 *July 1 of the succeeding fiscal year.*

13 *(C) For purposes of this paragraph, “operative threshold”*
 14 *means an amount that exceeds by at least one hundred dollars*
 15 *(\$100) the greater of either the amount specified in paragraph (1)*
 16 *or the amount computed pursuant to subparagraphs (A) and (B)*
 17 *as the operative adjustment to the amount specified in paragraph*
 18 *(1).*

19 (c) The board shall not sell any seized property until it has first
 20 notified the taxpayer in writing of the exemptions from levy under
 21 Chapter 4 (commencing with Section 703.010) of Division 2 of
 22 Title 9 of Part 2 of the Code of Civil Procedure.

23 (d) This section shall not apply to the seizure of any property
 24 as a result of a jeopardy assessment.

25 SEC. 3. Section 30459.2 of the Revenue and Taxation Code
 26 is amended to read:

27 30459.2. (a) The board shall release any levy or notice to
 28 withhold issued pursuant to this part on any property in the event
 29 ~~of any of the following:~~

30 ~~(1) The event that the expense of the sale process exceeds the~~
 31 ~~liability for which the levy is made.~~

32 ~~(2) The~~

33 *(b) (1) The Taxpayers’ Rights Advocate orders may order the*
 34 *release of the any levy or notice to withhold issued pursuant to*
 35 *this part or, within 90 days from the receipt of funds pursuant to*
 36 *a levy or notice to withhold, order the return of any amount up to*
 37 *two thousand three hundred dollars (\$2,300) of moneys received,*
 38 *upon his or her finding that the levy or notice to withhold threatens*
 39 *the health or welfare of the taxpayer or his or her spouse and*
 40 *dependents or family.*

1 (2) *The board shall adjust the*
2 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
3 *paragraph (1) as follows:*

4 (A) *On or before March 1, 2014, and on or before March 1 each*
5 *year thereafter, the board shall multiply the amount applicable*
6 *for the current fiscal year by the inflation factor adjustment*
7 *calculated based on the percentage change in the Consumer Price*
8 *Index, as recorded by the California Department of Industrial*
9 *Relations for the most recent year available, and the formula set*
10 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
11 *resulting amount will be the applicable amount for the succeeding*
12 *fiscal year only when the applicable amount computed is equal to*
13 *or exceeds a new operative threshold, as defined in subparagraph*
14 *(C).*

15 (B) *When the applicable amount equals or exceeds an operative*
16 *threshold specified in subparagraph (C), the resulting applicable*
17 *amount, rounded to the nearest multiple of one hundred dollars*
18 *(\$100), shall be operative for purposes of paragraph (1) beginning*
19 *July 1 of the succeeding fiscal year.*

20 (C) *For purposes of this paragraph, “operative threshold”*
21 *means an amount that exceeds by at least one hundred dollars*
22 *(\$100) the greater of either the amount specified in paragraph (1)*
23 *or the amount computed pursuant to subparagraphs (A) and (B)*
24 *as the operative adjustment to the amount specified in paragraph*
25 *(1).*

26 ~~(b)~~

27 (c) *The board shall not sell any seized property until it has first*
28 *notified the taxpayer in writing of the exemptions from levy under*
29 *Chapter 4 (commencing with Section 703.010) of Division 2 of*
30 *Title 9 of Part 2 of the Code of Civil Procedure.*

31 ~~(e)~~

32 (d) *This section shall not apply to the seizure of any property*
33 *as a result of a jeopardy assessment.*

34 SEC. 4. *Section 32472 of the Revenue and Taxation Code is*
35 *amended to read:*

36 32472. (a) *The board shall release any levy or notice to*
37 *withhold issued pursuant to this part on any property in the event*
38 *that the expense of the sale process exceeds the liability for which*
39 *the levy is made.*

1 (b) (1) The Taxpayers’ Rights Advocate may order the release
 2 of any levy or notice to withhold issued pursuant to this part or,
 3 within 90 days from the receipt of funds pursuant to a levy or
 4 notice to withhold, order the return of any amount up to ~~one two~~
 5 thousand ~~five~~ *three* hundred dollars ~~(\$1,500)~~ (\$2,300) of moneys
 6 received, upon his or her finding that the levy or notice to withhold
 7 threatens the health or welfare of the taxpayer or his or her spouse
 8 and dependents or family.

9 (2) *The board shall adjust the*
 10 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
 11 *paragraph (1) as follows:*

12 (A) *On or before March 1, 2014, and on or before March 1 each*
 13 *year thereafter, the board shall multiply the amount applicable*
 14 *for the current fiscal year by the inflation factor adjustment*
 15 *calculated based on the percentage change in the Consumer Price*
 16 *Index, as recorded by the California Department of Industrial*
 17 *Relations for the most recent year available, and the formula set*
 18 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
 19 *resulting amount will be the applicable amount for the succeeding*
 20 *fiscal year only when the applicable amount computed is equal to*
 21 *or exceeds a new operative threshold, as defined in subparagraph*
 22 *(C).*

23 (B) *When the applicable amount equals or exceeds an operative*
 24 *threshold specified in subparagraph (C), the resulting applicable*
 25 *amount, rounded to the nearest multiple of one hundred dollars*
 26 *(\$100), shall be operative for purposes of paragraph (1) beginning*
 27 *July 1 of the succeeding fiscal year.*

28 (C) *For purposes of this paragraph, “operative threshold”*
 29 *means an amount that exceeds by at least one hundred dollars*
 30 *(\$100) the greater of either the amount specified in paragraph (1)*
 31 *or the amount computed pursuant to subparagraphs (A) and (B)*
 32 *as the operative adjustment to the amount specified in paragraph*
 33 *(1).*

34 (c) The board shall not sell any seized property until it has first
 35 notified the taxpayer in writing of the exemptions from levy under
 36 Chapter 4 (commencing with Section 703.010) of Division 2 of
 37 Title 9 of Part 2 of the Code of Civil Procedure.

38 (d) This section shall not apply to the seizure of any property
 39 as a result of a jeopardy assessment.

1 SEC. 5. Section 40212 of the Revenue and Taxation Code is
2 amended to read:

3 40212. (a) The board shall release any levy or notice to
4 withhold issued pursuant to this part on any property in the event
5 that the expense of the sale process exceeds the liability for which
6 the levy is made.

7 (b) (1) The Taxpayers' Rights Advocate may order the release
8 of any levy or notice to withhold issued pursuant to this part or,
9 within 90 days from the receipt of funds pursuant to a levy or
10 notice to withhold, order the return of any amount up to ~~one~~ *two*
11 ~~thousand-five~~ *three* hundred dollars ~~(\$1,500)~~ *(\$2,300)* of moneys
12 received, upon his or her finding that the levy or notice to withhold
13 threatens the health or welfare of the taxpayer or his or her spouse
14 and dependents or family.

15 (2) *The board shall adjust the*
16 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
17 *paragraph (1) as follows:*

18 (A) *On or before March 1, 2014, and on or before March 1 each*
19 *year thereafter, the board shall multiply the amount applicable*
20 *for the current fiscal year by the inflation factor adjustment*
21 *calculated based on the percentage change in the Consumer Price*
22 *Index, as recorded by the California Department of Industrial*
23 *Relations for the most recent year available, and the formula set*
24 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
25 *resulting amount will be the applicable amount for the succeeding*
26 *fiscal year only when the applicable amount computed is equal to*
27 *or exceeds a new operative threshold, as defined in subparagraph*
28 *(C).*

29 (B) *When the applicable amount equals or exceeds an operative*
30 *threshold specified in subparagraph (C), the resulting applicable*
31 *amount, rounded to the nearest multiple of one hundred dollars*
32 *(\$100), shall be operative for purposes of paragraph (1) beginning*
33 *July 1 of the succeeding fiscal year.*

34 (C) *For purposes of this paragraph, "operative threshold"*
35 *means an amount that exceeds by at least one hundred dollars*
36 *(\$100) the greater of either the amount specified in paragraph (1)*
37 *or the amount computed pursuant to subparagraphs (A) and (B)*
38 *as the operative adjustment to the amount specified in paragraph*
39 *(1).*

1 (c) The board shall not sell any seized property until it first has
 2 notified the taxpayer in writing of the exemptions from levy under
 3 Chapter 4 (commencing with Section 703.010) of Division 2 of
 4 Title 9 of Part 2 of the Code of Civil Procedure.

5 (d) This section shall not apply to the seizure of any property
 6 as a result of a jeopardy assessment.

7 SEC. 6. Section 41172 of the Revenue and Taxation Code is
 8 amended to read:

9 41172. (a) The board shall release any levy or notice to
 10 withhold issued pursuant to this part on any property in the event
 11 that the expense of the sale process exceeds the liability for which
 12 the levy is made.

13 (b) (1) The Taxpayers’ Rights Advocate may order the release
 14 of any levy or notice to withhold issued pursuant to this part or,
 15 within 90 days from the receipt of funds pursuant to a levy or
 16 notice to withhold, order the return of any amount up to ~~one two~~
 17 ~~thousand five~~ *three* hundred dollars ~~(\$1,500)~~ (\$2,300) of moneys
 18 received, upon his or her finding that the levy or notice to withhold
 19 threatens the health or welfare of the taxpayer or his or her spouse
 20 and dependents or family.

21 (2) *The board shall adjust the*
 22 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
 23 *paragraph (1) as follows:*

24 (A) *On or before March 1, 2014, and on or before March 1 each*
 25 *year thereafter, the board shall multiply the amount applicable*
 26 *for the current fiscal year by the inflation factor adjustment*
 27 *calculated based on the percentage change in the Consumer Price*
 28 *Index, as recorded by the California Department of Industrial*
 29 *Relations for the most recent year available, and the formula set*
 30 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
 31 *resulting amount will be the applicable amount for the succeeding*
 32 *fiscal year only when the applicable amount computed is equal to*
 33 *or exceeds a new operative threshold, as defined in subparagraph*
 34 *(C).*

35 (B) *When the applicable amount equals or exceeds an operative*
 36 *threshold specified in subparagraph (C), the resulting applicable*
 37 *amount, rounded to the nearest multiple of one hundred dollars*
 38 *(\$100), shall be operative for purposes of paragraph (1) beginning*
 39 *July 1 of the succeeding fiscal year.*

1 (C) For purposes of this paragraph, “operative threshold”
 2 means an amount that exceeds by at least one hundred dollars
 3 (\$100) the greater of either the amount specified in paragraph (1)
 4 or the amount computed pursuant to subparagraphs (A) and (B)
 5 as the operative adjustment to the amount specified in paragraph
 6 (1).

7 (c) The board shall not sell any seized property until it has first
 8 notified the taxpayer in writing of the exemptions from levy under
 9 Chapter 4 (commencing with Section 703.010) of Division 2 of
 10 Title 9 of Part 2 of the Code of Civil Procedure.

11 (d) This section shall not apply to the seizure of any property
 12 as a result of a jeopardy assessment.

13 SEC. 7. Section 43523 of the Revenue and Taxation Code is
 14 amended to read:

15 43523. (a) The board shall release any levy or notice to
 16 withhold issued pursuant to this part on any property in the event
 17 that the expense of the sale process exceeds the liability for which
 18 the levy is made.

19 (b) (1) The Taxpayers’ Rights Advocate may order the release
 20 of any levy or notice to withhold issued pursuant to this part or,
 21 within 90 days from the receipt of funds pursuant to a levy or
 22 notice to withhold, order the return of any amount up to ~~one~~ two
 23 thousand ~~five~~ three hundred dollars ~~(\$1,500)~~ (\$2,300) of moneys
 24 received, upon his or her finding that the levy or notice to withhold
 25 threatens the health or welfare of the taxpayer or his or her spouse
 26 and dependents or family.

27 (2) *The board shall adjust the*
 28 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
 29 *paragraph (1) as follows:*

30 (A) *On or before March 1, 2014, and on or before March 1 each*
 31 *year thereafter, the board shall multiply the amount applicable*
 32 *for the current fiscal year by the inflation factor adjustment*
 33 *calculated based on the percentage change in the Consumer Price*
 34 *Index, as recorded by the California Department of Industrial*
 35 *Relations for the most recent year available, and the formula set*
 36 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
 37 *resulting amount will be the applicable amount for the succeeding*
 38 *fiscal year only when the applicable amount computed is equal to*
 39 *or exceeds a new operative threshold, as defined in subparagraph*
 40 (C).

1 (B) When the applicable amount equals or exceeds an operative
2 threshold specified in subparagraph (C), the resulting applicable
3 amount, rounded to the nearest multiple of one hundred dollars
4 (\$100), shall be operative for purposes of paragraph (1) beginning
5 July 1 of the succeeding fiscal year.

6 (C) For purposes of this paragraph, “operative threshold”
7 means an amount that exceeds by at least one hundred dollars
8 (\$100) the greater of either the amount specified in paragraph (1)
9 or the amount computed pursuant to subparagraphs (A) and (B)
10 as the operative adjustment to the amount specified in paragraph
11 (1).

12 (c) The board shall not sell any seized property until it has first
13 notified the taxpayer in writing of the exemptions from levy under
14 Chapter 4 (commencing with Section 703.010) of Division 2 of
15 Title 9 of Part 2 of the Code of Civil Procedure.

16 (d) This section shall not apply to the seizure of any property
17 as a result of a jeopardy assessment.

18 SEC. 8. Section 45868 of the Revenue and Taxation Code is
19 amended to read:

20 45868. (a) The board shall release any levy or notice to
21 withhold issued pursuant to this part on any property in the event
22 that the expense of the sale process exceeds the liability for which
23 the levy is made.

24 (b) (1) The Taxpayers’ Rights Advocate may order the release
25 of any levy or notice to withhold issued pursuant to this part or,
26 within 90 days from the receipt of funds pursuant to a levy or
27 notice to withhold, order the return of any amount up to ~~one~~ two
28 thousand ~~five~~ three hundred dollars ~~(\$1,500)~~ (\$2,300) of moneys
29 received, upon his or her finding that the levy or notice to withhold
30 threatens the health or welfare of the feepayer or his or her spouse
31 and dependents or family.

32 (2) The board shall adjust the
33 two-thousand-three-hundred-dollar (\$2,300) amount specified in
34 paragraph (1) as follows:

35 (A) On or before March 1, 2014, and on or before March 1 each
36 year thereafter, the board shall multiply the amount applicable
37 for the current fiscal year by the inflation factor adjustment
38 calculated based on the percentage change in the Consumer Price
39 Index, as recorded by the California Department of Industrial
40 Relations for the most recent year available, and the formula set

1 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
2 *resulting amount will be the applicable amount for the succeeding*
3 *fiscal year only when the applicable amount computed is equal to*
4 *or exceeds a new operative threshold, as defined in subparagraph*
5 *(C).*

6 *(B) When the applicable amount equals or exceeds an operative*
7 *threshold specified in subparagraph (C), the resulting applicable*
8 *amount, rounded to the nearest multiple of one hundred dollars*
9 *(\$100), shall be operative for purposes of paragraph (1) beginning*
10 *July 1 of the succeeding fiscal year.*

11 *(C) For purposes of this paragraph, “operative threshold”*
12 *means an amount that exceeds by at least one hundred dollars*
13 *(\$100) the greater of either the amount specified in paragraph (1)*
14 *or the amount computed pursuant to subparagraphs (A) and (B)*
15 *as the operative adjustment to the amount specified in paragraph*
16 *(1).*

17 *(c) The board shall not sell any seized property until it has first*
18 *notified the feepayer in writing of the exemptions from levy under*
19 *Chapter 4 (commencing with Section 703.010) of Division 2 of*
20 *Title 9 of Part 2 of the Code of Civil Procedure.*

21 *(d) This section shall not apply to the seizure of any property*
22 *as a result of a jeopardy assessment.*

23 **SEC. 9.** Section 46623 of the Revenue and Taxation Code is
24 amended to read:

25 46623. (a) The board shall release any levy or notice to
26 withhold issued pursuant to this part on any property in the event
27 the expense of the sale process exceeds the liability for which the
28 levy is made.

29 (b) (1) The Taxpayers’ Rights Advocate may order the release
30 of any levy or notice to withhold issued pursuant to this part or,
31 within 90 days from the receipt of the funds pursuant to a levy or
32 the notice to withhold, may order the return of any amount up to
33 ~~one two thousand five three~~ hundred dollars ~~(\$1,500)~~ (\$2,300) of
34 moneys received, upon his or her finding that the levy or notice
35 to withhold threatens the health or welfare of the feepayer or his
36 or her spouse and dependents.

37 (2) *The board shall adjust the*
38 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
39 *paragraph (1) as follows:*

1 (A) On or before March 1, 2014, and on or before March 1 each
2 year thereafter, the board shall multiply the amount applicable
3 for the current fiscal year by the inflation factor adjustment
4 calculated based on the percentage change in the Consumer Price
5 Index, as recorded by the California Department of Industrial
6 Relations for the most recent year available, and the formula set
7 forth in paragraph (2) of subdivision (h) of Section 17041. The
8 resulting amount will be the applicable amount for the succeeding
9 fiscal year only when the applicable amount computed is equal to
10 or exceeds a new operative threshold, as defined in subparagraph
11 (C).

12 (B) When the applicable amount equals or exceeds an operative
13 threshold specified in subparagraph (C), the resulting applicable
14 amount, rounded to the nearest multiple of one hundred dollars
15 (\$100), shall be operative for purposes of paragraph (1) beginning
16 July 1 of the succeeding fiscal year.

17 (C) For purposes of this paragraph, “operative threshold”
18 means an amount that exceeds by at least one hundred dollars
19 (\$100) the greater of either the amount specified in paragraph (1)
20 or the amount computed pursuant to subparagraphs (A) and (B)
21 as the operative adjustment to the amount specified in paragraph
22 (1).

23 (c) The board shall not sell any seized property until it has first
24 notified the taxpayer in writing of the exemptions from levy under
25 Chapter 4 (commencing with Section 703.010) of Division 2 of
26 Title 9 of Part 2 of the Code of Civil Procedure.

27 (d) This section shall not apply to the seizure of any property
28 as a result of a jeopardy assessment.

29 SEC. 10. Section 50156.12 of the Revenue and Taxation Code
30 is amended to read:

31 50156.12. (a) The board shall release any levy or notice to
32 withhold issued pursuant to this part on any property in the event
33 that the expense of the sale process exceeds the liability for which
34 the levy is made.

35 (b) (1) The Taxpayers’ Rights Advocate may order the release
36 of any levy or notice to withhold issued pursuant to this part or,
37 within 90 days from the receipt of funds pursuant to a levy or
38 notice to withhold, order the return of any amount up to ~~one two~~
39 ~~thousand-five~~ *three* hundred dollars ~~(\$1,500)~~ (\$2,300) of moneys
40 received, upon his or her finding that the levy or notice to withhold

1 threatens the health or welfare of the feepayer or his or her spouse
2 and dependents or family.

3 (2) *The board shall adjust the*
4 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
5 *paragraph (1) as follows:*

6 (A) *On or before March 1, 2014, and on or before March 1 each*
7 *year thereafter, the board shall multiply the amount applicable*
8 *for the current fiscal year by the inflation factor adjustment*
9 *calculated based on the percentage change in the Consumer Price*
10 *Index, as recorded by the California Department of Industrial*
11 *Relations for the most recent year available, and the formula set*
12 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
13 *resulting amount will be the applicable amount for the succeeding*
14 *fiscal year only when the applicable amount computed is equal to*
15 *or exceeds a new operative threshold, as defined in subparagraph*
16 *(C).*

17 (B) *When the applicable amount equals or exceeds an operative*
18 *threshold specified in subparagraph (C), the resulting applicable*
19 *amount, rounded to the nearest multiple of one hundred dollars*
20 *(\$100), shall be operative for purposes of paragraph (1) beginning*
21 *July 1 of the succeeding fiscal year.*

22 (C) *For purposes of this paragraph, “operative threshold”*
23 *means an amount that exceeds by at least one hundred dollars*
24 *(\$100) the greater of either the amount specified in paragraph (1)*
25 *or the amount computed pursuant to subparagraphs (A) and (B)*
26 *as the operative adjustment to the amount specified in paragraph*
27 *(1).*

28 (c) The board shall not sell any seized property until it has first
29 notified the fee payer in writing of the exemptions from levy under
30 Chapter 4 (commencing with Section 703.010) of Division 2 of
31 Title 9 of Part 2 of the Code of Civil Procedure.

32 (d) This section shall not apply to the seizure of any property
33 as a result of a jeopardy assessment.

34 SEC. 11. Section 55333 of the Revenue and Taxation Code is
35 amended to read:

36 55333. (a) The board shall release any levy or notice to
37 withhold issued pursuant to this part on any property in the event
38 ~~of any of the following:~~

39 ~~(1) The event that the expense of the sale process exceeds the~~
40 ~~liability for which the levy is made.~~

1 ~~(2) The~~
 2 ~~(b) (1) The Taxpayers’ Rights Advocate orders may order the~~
 3 ~~release of the any levy or notice to withhold upon his or her finding~~
 4 ~~that the levy or notice to withhold issued pursuant to this part or,~~
 5 ~~within 90 days from the receipt of funds pursuant to a levy or notice~~
 6 ~~to withhold, order the return of any amount up to two thousand~~
 7 ~~three hundred dollars (\$2,300) of moneys received, threatens the~~
 8 ~~health or welfare of the taxpayer or his or her spouse and~~
 9 ~~dependents or family.~~

10 (2) The board shall adjust the
 11 two-thousand-three-hundred-dollar (\$2,300) amount specified in
 12 paragraph (1) as follows:

13 (A) On or before March 1, 2014, and on or before March 1 each
 14 year thereafter, the board shall multiply the amount applicable
 15 for the current fiscal year by the inflation factor adjustment
 16 calculated based on the percentage change in the Consumer Price
 17 Index, as recorded by the California Department of Industrial
 18 Relations for the most recent year available, and the formula set
 19 forth in paragraph (2) of subdivision (h) of Section 17041. The
 20 resulting amount will be the applicable amount for the succeeding
 21 fiscal year only when the applicable amount computed is equal to
 22 or exceeds a new operative threshold, as defined in subparagraph
 23 (C).

24 (B) When the applicable amount equals or exceeds an operative
 25 threshold specified in subparagraph (C), the resulting applicable
 26 amount, rounded to the nearest multiple of one hundred dollars
 27 (\$100), shall be operative for purposes of paragraph (1) beginning
 28 July 1 of the succeeding fiscal year.

29 (C) For purposes of this paragraph, “operative threshold”
 30 means an amount that exceeds by at least one hundred dollars
 31 (\$100) the greater of either the amount specified in paragraph (1)
 32 or the amount computed pursuant to subparagraphs (A) and (B)
 33 as the operative adjustment to the amount specified in paragraph
 34 (1).

35 ~~(b)~~
 36 (c) The board shall not sell any seized property until it has first
 37 notified the taxpayer in writing of the exemptions from levy under
 38 Chapter 4 (commencing with Section 703.010) of Title 9 of the
 39 Code of Civil Procedure.

40 ~~(e)~~

1 (d) This section shall not apply to the seizure of any property
2 as a result of a jeopardy assessment.

3 SEC. 12. Section 60632 of the Revenue and Taxation Code is
4 amended to read:

5 60632. (a) The board shall release any levy or notice to
6 withhold issued pursuant to this part on any property in the event
7 the expense of the sale process exceeds the liability for which the
8 levy is made.

9 (b) (1) The Taxpayers' Rights Advocate may order the release
10 of any levy or notice to withhold issued pursuant to this part, or
11 within 90 days from the receipt of the funds pursuant to a levy or
12 notice to withhold may order the return of any amount up to ~~one~~
13 ~~two thousand five~~ *three* hundred dollars ~~(\$1,500)~~ (\$2,300) of
14 moneys received, upon his or her finding that the levy or notice
15 to withhold threatens the health or welfare of the taxpayer or his
16 or her spouse or dependents.

17 (2) *The board shall adjust the*
18 *two-thousand-three-hundred-dollar (\$2,300) amount specified in*
19 *paragraph (1) as follows:*

20 (A) *On or before March 1, 2014, and on or before March 1 each*
21 *year thereafter, the board shall multiply the amount applicable*
22 *for the current fiscal year by the inflation factor adjustment*
23 *calculated based on the percentage change in the Consumer Price*
24 *Index, as recorded by the California Department of Industrial*
25 *Relations for the most recent year available, and the formula set*
26 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
27 *resulting amount will be the applicable amount for the succeeding*
28 *fiscal year only when the applicable amount computed is equal to*
29 *or exceeds a new operative threshold, as defined in subparagraph*
30 *(C).*

31 (B) *When the applicable amount equals or exceeds an operative*
32 *threshold specified in subparagraph (C), the resulting applicable*
33 *amount, rounded to the nearest multiple of one hundred dollars*
34 *(\$100), shall be operative for purposes of paragraph (1) beginning*
35 *July 1 of the succeeding fiscal year.*

36 (C) *For purposes of this paragraph, "operative threshold"*
37 *means an amount that exceeds by at least one hundred dollars*
38 *(\$100) the greater of either the amount specified in paragraph (1)*
39 *or the amount computed pursuant to subparagraphs (A) and (B)*

1 *as the operative adjustment to the amount specified in paragraph*
2 *(1).*

3 (c) The board shall not sell any seized property until it has first
4 notified the taxpayer in writing of the exemptions from levy under
5 Chapter 4 (commencing with Section 703.010) of Title 9 of the
6 Code of Civil Procedure.

7 (d) This section shall not apply to the seizure of any property
8 as a result of a jeopardy assessment.

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