

AMENDED IN ASSEMBLY APRIL 1, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2249**

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**Introduced by Assembly Member Bloom**

February 21, 2014

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~~An act to amend Section 55040 of the Revenue and Taxation Code, relating to taxation.~~ *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 2249, as amended, Bloom. ~~Fee Collection Procedures Law. 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.*

~~The Fee Collection Procedures Law provides procedures for the collection of certain fees and surcharges by the State Board of Equalization. That law requires a taxpayer to file a return in the form as prescribed by the board, which may include electronic media, and requires the form to be authenticated as specified.~~

~~This bill would make technical, nonsubstantive changes to those requirements.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ 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.

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, 2015, 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 (c) *The board shall not sell any seized property until it has first*  
27 *notified the taxpayer in writing of the exemptions from levy under*  
28 *Chapter 4 (commencing with Section 703.010) of Title 9 of the*  
29 *Code of Civil Procedure.*

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

32 *SEC. 2. Section 9272 of the Revenue and Taxation Code is*  
33 *amended to read:*

34 9272. (a) *The board shall release any levy or notice to withhold*  
35 *issued pursuant to this part on any property in the event that the*  
36 *expense of the sale process exceeds the liability for which the levy*  
37 *is made.*

38 (b) (1) *The Taxpayers’ Rights Advocate may order the release*  
39 *of any levy or notice to withhold issued pursuant to this part or,*  
40 *within 90 days from the receipt of funds pursuant to a levy or*

1 notice to withhold, order the return of any amount up to ~~one two~~  
2 thousand ~~five three~~ hundred dollars ~~(\$1,500)~~ (\$2,300) of moneys  
3 received, upon his or her finding that the levy or notice to withhold  
4 threatens the health or welfare of the taxpayer or his or her spouse  
5 and dependents or family.

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

9 (A) *On or before March 1, 2015, and on or before March 1 each*  
10 *year thereafter, the board shall multiply the amount applicable*  
11 *for the current fiscal year by the inflation factor adjustment*  
12 *calculated based on the percentage change in the Consumer Price*  
13 *Index, as recorded by the California Department of Industrial*  
14 *Relations for the most recent year available, and the formula set*  
15 *forth in paragraph (2) of subdivision (h) of Section 17041. The*  
16 *resulting amount will be the applicable amount for the succeeding*  
17 *fiscal year only when the applicable amount computed is equal to*  
18 *or exceeds a new operative threshold, as defined in subparagraph*  
19 *(C).*

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

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

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

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

37 SEC. 3. *Section 30459.2 of the Revenue and Taxation Code is*  
38 *amended to read:*

39 30459.2. (a) The board shall release any levy or notice to  
40 withhold issued pursuant to this part on any property in the event

1 ~~that the expense of any of the following: the sale process exceeds~~  
2 ~~the liability for which the levy is made.~~

3 ~~(1) The expense of the sale process exceeds the liability for~~  
4 ~~which the levy is made.~~

5 ~~(2) The~~

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

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

17 ~~(A) On or before March 1, 2015, and on or before March 1 each~~  
18 ~~year thereafter, the board shall multiply the amount applicable~~  
19 ~~for the current fiscal year by the inflation factor adjustment~~  
20 ~~calculated based on the percentage change in the Consumer Price~~  
21 ~~Index, as recorded by the California Department of Industrial~~  
22 ~~Relations for the most recent year available, and the formula set~~  
23 ~~forth in paragraph (2) of subdivision (h) of Section 17041. The~~  
24 ~~resulting amount will be the applicable amount for the succeeding~~  
25 ~~fiscal year only when the applicable amount computed is equal to~~  
26 ~~or exceeds a new operative threshold, as defined in subparagraph~~  
27 ~~(C).~~

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

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

39 ~~(b)~~

1 (c) The board shall not sell any seized property until it has first  
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 (e)

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

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

10 32472. (a) The board shall release any levy or notice to  
11 withhold issued pursuant to this part on any property in the event  
12 that the expense of the sale process exceeds the liability for which  
13 the levy is made.

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

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

25 (A) *On or before March 1, 2015, and on or before March 1 each*  
26 *year thereafter, the board shall multiply the amount applicable*  
27 *for the current fiscal year by the inflation factor adjustment*  
28 *calculated based on the percentage change in the Consumer Price*  
29 *Index, as recorded by the California Department of Industrial*  
30 *Relations for the most recent year available, and the formula set*  
31 *forth in paragraph (2) of subdivision (h) of Section 17041. The*  
32 *resulting amount will be the applicable amount for the succeeding*  
33 *fiscal year only when the applicable amount computed is equal to*  
34 *or exceeds a new operative threshold, as defined in subparagraph*  
35 *(C).*

36 (B) *When the applicable amount equals or exceeds an operative*  
37 *threshold specified in subparagraph (C), the resulting applicable*  
38 *amount, rounded to the nearest multiple of one hundred dollars*  
39 *(\$100), shall be operative for purposes of paragraph (1) beginning*  
40 *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. 5. Section 40212 of the Revenue and Taxation Code is  
14 amended to read:

15 40212. (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, 2015, 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 first has  
 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. 6. Section 41172 of the Revenue and Taxation Code is  
 19 amended to read:

20 41172. (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 taxpayer 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, 2015, 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 taxpayer 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. 7. Section 43523 of the Revenue and Taxation Code is*  
24 *amended to read:*

25 43523. (a) The board shall release any levy or notice to  
26 withhold issued pursuant to this part on any property in the event  
27 that the expense of the sale process exceeds the liability for which  
28 the 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 funds pursuant to a levy or  
32 notice to withhold, order the return of any amount up to ~~one two~~  
33 ~~thousand-five~~ *three* hundred dollars ~~(\$1,500)~~ *(\$2,300)* of moneys  
34 received, upon his or her finding that the levy or notice to withhold  
35 threatens the health or welfare of the taxpayer or his or her spouse  
36 and dependents or family.

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, 2015, 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. 8. Section 45868 of the Revenue and Taxation Code is  
30 amended to read:

31 45868. (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, 2015, 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 feepayer 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. 9. Section 46623 of the Revenue and Taxation Code is*  
35 *amended to read:*

36 46623. (a) The board shall release any levy or notice to  
37 withhold issued pursuant to this part on any property in the event  
38 the expense of the sale process exceeds the liability for which the  
39 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 the funds pursuant to a levy or  
 4 the notice to withhold, may order the return of any amount up to  
 5 ~~one two thousand five~~ *three* hundred dollars ~~(\$1,500)~~ (\$2,300) of  
 6 moneys received, upon his or her finding that the levy or notice  
 7 to withhold threatens the health or welfare of the feepayer or his  
 8 or her spouse and dependents.

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, 2015, 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. 10. Section 50156.12 of the Revenue and Taxation Code*  
2     *is amended to read:*

3     50156.12. (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 feepayer 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, 2015, 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 has first  
2 notified the fee payer 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. 11. Section 55333 of the Revenue and Taxation Code is*  
8 *amended to read:*

9 55333. (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 any of the following: sale process exceeds the~~  
12 ~~liability for which the levy is made.~~

13 ~~(1) The expense of the sale process exceeds the liability for~~  
14 ~~which the levy is made.~~

15 ~~(2) The~~

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

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

27 (A) ~~On or before March 1, 2015, and on or before March 1 each~~  
28 ~~year thereafter, the board shall multiply the amount applicable~~  
29 ~~for the current fiscal year by the inflation factor adjustment~~  
30 ~~calculated based on the percentage change in the Consumer Price~~  
31 ~~Index, as recorded by the California Department of Industrial~~  
32 ~~Relations for the most recent year available, and the formula set~~  
33 ~~forth in paragraph (2) of subdivision (h) of Section 17041. The~~  
34 ~~resulting amount will be the applicable amount for the succeeding~~  
35 ~~fiscal year only when the applicable amount computed is equal to~~  
36 ~~or exceeds a new operative threshold, as defined in subparagraph~~  
37 (C).

38 (B) ~~When the applicable amount equals or exceeds an operative~~  
39 ~~threshold specified in subparagraph (C), the resulting applicable~~  
40 ~~amount, rounded to the nearest multiple of one hundred dollars~~

1 (\$100), shall be operative for purposes of paragraph (1) beginning  
2 July 1 of the succeeding fiscal year.

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

9 ~~(b)~~

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

14 ~~(e)~~

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

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

19 60632. (a) The board shall release any levy or notice to  
20 withhold issued pursuant to this part on any property in the event  
21 the expense of the sale process exceeds the liability for which the  
22 levy is made.

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

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

34 (A) *On or before March 1, 2015, and on or before March 1 each*  
35 *year thereafter, the board shall multiply the amount applicable*  
36 *for the current fiscal year by the inflation factor adjustment*  
37 *calculated based on the percentage change in the Consumer Price*  
38 *Index, as recorded by the California Department of Industrial*  
39 *Relations for the most recent year available, and the formula set*  
40 *forth in paragraph (2) of subdivision (h) of Section 17041. The*

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

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

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

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

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

22 ~~SECTION 1. Section 55040 of the Revenue and Taxation Code~~  
23 ~~is amended to read:~~

24 ~~55040. A feepayer shall file a return in the form as prescribed~~  
25 ~~by the board, which may include, but not be limited to, electronic~~  
26 ~~media. Returns shall be authenticated in a form or pursuant to~~  
27 ~~methods the board may prescribe.~~