

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1277

**Introduced by Assembly Member Brough
(Coauthor: Assembly Member Holden)**

February 27, 2015

~~An act to amend Section 6002 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 1277, as amended, Brough. ~~Sales and use tax.~~ *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. Under those laws, if the State Board of Equalization believes that the collection of any amount of tax imposed by those laws will be jeopardized by delay, the board is required to make a determination of the amount of tax, which is immediately due and payable.

This bill would increase, under each of those laws the amount the Taxpayers’ Rights Advocate is authorized to order returned to a taxpayer to \$2,300 in any monthly period, and would authorize this amount to be adjusted for inflation, as provided. This bill would also authorize the Taxpayers’ Rights Advocate to order amounts returned in the case of a seizure of property as a result of a jeopardy assessment, as specified.

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. Under those laws, if the State Board of Equalization believes that the collection of any amount of tax imposed by those laws will be jeopardized by delay, the board is required to make a determination of the amount of tax, which is immediately due and payable.

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 in any monthly period, 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. This bill would also authorize the Taxpayers’ Rights Advocate to order amounts returned in the case of a seizure of property as a result of a jeopardy assessment, as specified.

~~The Sales and Use Tax Law imposes a sales tax on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, and a use tax on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer for storage, use, or other consumption in this state.~~

~~This bill would make a technical, nonsubstantive change to that law.~~

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

1 expense of the sale process exceeds the liability for which the levy
2 is made.

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

11 (B) *The amount the Taxpayers' Rights Advocate may release*
12 *or return to each taxpayer subject to a levy or notice to withhold,*
13 *is limited to two thousand three hundred dollars (\$2,300), or the*
14 *adjusted amount as specified in paragraph (2), in any monthly*
15 *period.*

16 (C) *Notwithstanding subdivision (d), the Taxpayers' Rights*
17 *Advocate may order amounts returned in the case of a seizure of*
18 *property as a result of a jeopardy assessment, subject to the*
19 *amounts set or adjusted pursuant to this section.*

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

23 (i) *On or before March 1, 2016, and on or before March 1 each*
24 *year thereafter, the board shall multiply the amount applicable*
25 *for the current fiscal year by the inflation factor adjustment*
26 *calculated based on the percentage change in the Consumer Price*
27 *Index, as recorded by the California Department of Industrial*
28 *Relations for the most recent year available, and the formula set*
29 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
30 *resulting amount will be the applicable amount for the succeeding*
31 *fiscal year only when the applicable amount computed is equal to*
32 *or exceeds a new operative threshold, as defined in subparagraph*
33 *(B).*

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

39 (B) *For purposes of this paragraph, "operative threshold"*
40 *means an amount that exceeds by at least one hundred dollars*

1 (\$100) the greater of either the amount specified in paragraph (1)
 2 or the amount computed pursuant to subparagraph (A) as the
 3 operative adjustment to the amount specified in paragraph (1).

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

8 (d) ~~This~~ Except as provided in subparagraph (C) of paragraph
 9 (1) of subdivision (b), this section shall not apply to the seizure of
 10 any property as a result of a jeopardy assessment.

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

13 9272. (a) The board shall release any levy or notice to withhold
 14 issued pursuant to this part on any property in the event that the
 15 expense of the sale process exceeds the liability for which the levy
 16 is made.

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

25 (B) *The amount the Taxpayers' Rights Advocate may release*
 26 *or return to each taxpayer subject to a levy or notice to withhold,*
 27 *is limited to two thousand three hundred dollars (\$2,300), or the*
 28 *adjusted amount as specified in paragraph (2), in any monthly*
 29 *period.*

30 (C) *Notwithstanding subdivision (d), the Taxpayers' Rights*
 31 *Advocate may order amounts returned in the case of a seizure of*
 32 *property as a result of a jeopardy assessment, subject to the*
 33 *amounts set or adjusted pursuant to this section.*

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

37 (i) *On or before March 1, 2016, 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 *(B).*

8 (ii) *When the applicable amount equals or exceeds an operative*
9 *threshold specified in subparagraph (B), 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 (B) *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 subparagraph (A) as the*
17 *operative adjustment to the amount specified in paragraph (1).*

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

22 (d) ~~This~~ *Except as provided in subparagraph (C) of paragraph*
23 *(1) of subdivision (b), this section shall not apply to the seizure of*
24 *any property as a result of a jeopardy assessment.*

25 SEC. 3. *Section 30459.2 of the Revenue and Taxation Code is*
26 *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 *that the expense of ~~any of the following:~~ sale process exceeds the*
30 *liability for which the levy is made.*

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

33 ~~(2)~~

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

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

3 *(B) The amount the Taxpayers’ Rights Advocate may release*
 4 *or return to each taxpayer subject to a levy or notice to withhold,*
 5 *is limited to two thousand three hundred dollars (\$2,300), or the*
 6 *adjusted amount as specified in paragraph (2), in any monthly*
 7 *period.*

8 *(C) Notwithstanding subdivision (d), the Taxpayers’ Rights*
 9 *Advocate may order amounts returned in the case of a seizure of*
 10 *property as a result of a jeopardy assessment, subject to the*
 11 *amounts set or adjusted pursuant to this section.*

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

15 *(i) On or before March 1, 2016, and on or before March 1 each*
 16 *year thereafter, the board shall multiply the amount applicable*
 17 *for the current fiscal year by the inflation factor adjustment*
 18 *calculated based on the percentage change in the Consumer Price*
 19 *Index, as recorded by the California Department of Industrial*
 20 *Relations for the most recent year available, and the formula set*
 21 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
 22 *resulting amount will be the applicable amount for the succeeding*
 23 *fiscal year only when the applicable amount computed is equal to*
 24 *or exceeds a new operative threshold, as defined in subparagraph*
 25 *(B).*

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

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

36 ~~(b)~~

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

1 ~~(e) This~~
 2 *(d) Except as provided in subparagraph (c) of paragraph (1)*
 3 *of subdivision (b), this section shall not apply to the seizure of any*
 4 *property as a result of a jeopardy assessment.*

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

7 32472. (a) The board shall release any levy or notice to
 8 withhold issued pursuant to this part on any property in the event
 9 that the expense of the sale process exceeds the liability for which
 10 the levy is made.

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

19 (B) *The amount the Taxpayers' Rights Advocate may release*
 20 *or return to each taxpayer subject to a levy or notice to withhold,*
 21 *is limited to two thousand three hundred dollars (\$2,300), or the*
 22 *adjusted amount as specified in paragraph (2), in any monthly*
 23 *period.*

24 (C) *Notwithstanding subdivision (d), the Taxpayers' Rights*
 25 *Advocate may order amounts returned in the case of a seizure of*
 26 *property as a result of a jeopardy assessment, subject to the*
 27 *amounts set or adjusted pursuant to this section.*

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

31 (i) *On or before March 1, 2016, and on or before March 1 each*
 32 *year thereafter, the board shall multiply the amount applicable*
 33 *for the current fiscal year by the inflation factor adjustment*
 34 *calculated based on the percentage change in the Consumer Price*
 35 *Index, as recorded by the California Department of Industrial*
 36 *Relations for the most recent year available, and the formula set*
 37 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
 38 *resulting amount will be the applicable amount for the succeeding*
 39 *fiscal year only when the applicable amount computed is equal to*

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

3 *(ii) When the applicable amount equals or exceeds an operative*
4 *threshold specified in subparagraph (B), 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 *(B) 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 subparagraph (A) as the*
12 *operative adjustment to the amount specified in paragraph (1).*

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

17 *(d) ~~This~~ Except as provided in subparagraph (C) of paragraph*
18 *(1) of subdivision (b), this section shall not apply to the seizure of*
19 *any property as a result of a jeopardy assessment.*

20 *SEC. 5. Section 40212 of the Revenue and Taxation Code is*
21 *amended to read:*

22 40212. (a) The board shall release any levy or notice to
23 withhold issued pursuant to this part on any property in the event
24 that the expense of the sale process exceeds the liability for which
25 the levy is made.

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

34 (B) *The amount the Taxpayers’ Rights Advocate may release*
35 *or return to each taxpayer subject to a levy or notice to withhold,*
36 *is limited to two thousand three hundred dollars (\$2,300), or the*
37 *adjusted amount as specified in paragraph (2), in any monthly*
38 *period.*

39 (C) *Notwithstanding subdivision (d), the Taxpayers’ Rights*
40 *Advocate may order amounts returned in the case of a seizure of*

1 *property as a result of a jeopardy assessment, subject to the*
2 *amounts set or adjusted pursuant to this section.*

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

6 (i) *On or before March 1, 2016, 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 *(B).*

17 (ii) *When the applicable amount equals or exceeds an operative*
18 *threshold specified in subparagraph (B), 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 (B) *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 subparagraph (A) as the*
26 *operative adjustment to the amount specified in paragraph (1).*

27 (c) *The board shall not sell any seized property until it first has*
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 (d) ~~This~~ *Except as provided in subparagraph (C) of paragraph*
32 *(1) of subdivision (b), this section shall not apply to the seizure of*
33 *any property as a result of a jeopardy assessment.*

34 SEC. 6. *Section 41172 of the Revenue and Taxation Code is*
35 *amended to read:*

36 41172. (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) (A) The Taxpayers' Rights Advocate may order the
2 release of any levy or notice to withhold issued pursuant to this
3 part or, within 90 days from the receipt of funds pursuant to a levy
4 or notice to withhold, order the return of any amount up to ~~one~~
5 ~~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 taxpayer or his
8 or her spouse and dependents or family.

9 (B) *The amount the Taxpayers' Rights Advocate may release*
10 *or return to each taxpayer subject to a levy or notice to withhold,*
11 *is limited to two thousand three hundred dollars (\$2,300), or the*
12 *adjusted amount as specified in paragraph (2), in any monthly*
13 *period.*

14 (C) *Notwithstanding subdivision (d), the Taxpayers' Rights*
15 *Advocate may order amounts returned in the case of a seizure of*
16 *property as a result of a jeopardy assessment, subject to the*
17 *amounts set or adjusted pursuant to this section.*

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

21 (i) *On or before March 1, 2016, and on or before March 1 each*
22 *year thereafter, the board shall multiply the amount applicable*
23 *for the current fiscal year by the inflation factor adjustment*
24 *calculated based on the percentage change in the Consumer Price*
25 *Index, as recorded by the California Department of Industrial*
26 *Relations for the most recent year available, and the formula set*
27 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
28 *resulting amount will be the applicable amount for the succeeding*
29 *fiscal year only when the applicable amount computed is equal to*
30 *or exceeds a new operative threshold, as defined in subparagraph*
31 *(B).*

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

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

1 *or the amount computed pursuant to subparagraph (A) as the*
2 *operative adjustment to the amount specified in paragraph (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 Division 2 of
6 Title 9 of Part 2 of the Code of Civil Procedure.

7 (d) ~~This~~ *Except as provided in subparagraph (C) of paragraph*
8 *(1) of subdivision (b), this section shall not apply to the seizure of*
9 *any property as a result of a jeopardy assessment.*

10 *SEC. 7. Section 43523 of the Revenue and Taxation Code is*
11 *amended to read:*

12 43523. (a) The board shall release any levy or notice to
13 withhold issued pursuant to this part on any property in the event
14 that the expense of the sale process exceeds the liability for which
15 the levy is made.

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

24 (B) *The amount the Taxpayers' Rights Advocate may release*
25 *or return to each taxpayer subject to a levy or notice to withhold,*
26 *is limited to two thousand three hundred dollars (\$2,300), or the*
27 *adjusted amount as specified in paragraph (2), in any monthly*
28 *period.*

29 (C) *Notwithstanding subdivision (d), the Taxpayers' Rights*
30 *Advocate may order amounts returned in the case of a seizure of*
31 *property as a result of a jeopardy assessment, subject to the*
32 *amounts set or adjusted pursuant to this section.*

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

36 (i) *On or before March 1, 2016, and on or before March 1 each*
37 *year thereafter, the board shall multiply the amount applicable*
38 *for the current fiscal year by the inflation factor adjustment*
39 *calculated based on the percentage change in the Consumer Price*
40 *Index, as recorded by the California Department of Industrial*

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

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

12 *(B) For purposes of this paragraph, “operative threshold”*
13 *means an amount that exceeds by at least one hundred dollars*
14 *(\$100) the greater of either the amount specified in paragraph (1)*
15 *or the amount computed pursuant to subparagraph (A) as the*
16 *operative adjustment to the amount specified in paragraph (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~~ Except as provided in subparagraph (C) of paragraph*
22 *(1) of subdivision (b), this section shall not apply to the seizure of*
23 *any property as a result of a jeopardy assessment.*

24 *SEC. 8. Section 45868 of the Revenue and Taxation Code is*
25 *amended to read:*

26 45868. (a) The board shall release any levy or notice to
27 withhold issued pursuant to this part on any property in the event
28 that the expense of the sale process exceeds the liability for which
29 the levy is made.

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

38 (B) *The amount the Taxpayers’ Rights Advocate may release*
39 *or return to each taxpayer subject to a levy or notice to withhold,*
40 *is limited to two thousand three hundred dollars (\$2,300), or the*

1 *adjusted amount as specified in paragraph (2), in any monthly*
2 *period.*

3 *(C) Notwithstanding subdivision (d), the Taxpayers' Rights*
4 *Advocate may order amounts returned in the case of a seizure of*
5 *property as a result of a jeopardy assessment, subject to the*
6 *amounts set or adjusted pursuant to this section.*

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

10 *(i) On or before March 1, 2016, and on or before March 1 each*
11 *year thereafter, the board shall multiply the amount applicable*
12 *for the current fiscal year by the inflation factor adjustment*
13 *calculated based on the percentage change in the Consumer Price*
14 *Index, as recorded by the California Department of Industrial*
15 *Relations for the most recent year available, and the formula set*
16 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
17 *resulting amount will be the applicable amount for the succeeding*
18 *fiscal year only when the applicable amount computed is equal to*
19 *or exceeds a new operative threshold, as defined in subparagraph*
20 *(B).*

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

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

31 *(c) The board shall not sell any seized property until it has first*
32 *notified the feepayer 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~~ Except as provided in subparagraph (C) of paragraph*
36 *(1) of subdivision (b), this section shall not apply to the seizure of*
37 *any property as a result of a jeopardy assessment.*

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

1 46623. (a) The board shall release any levy or notice to
2 withhold issued pursuant to this part on any property in the event
3 the expense of the sale process exceeds the liability for which the
4 levy is made.

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

13 (B) *The amount the Taxpayers' Rights Advocate may release*
14 *or return to each taxpayer subject to a levy or notice to withhold,*
15 *is limited to two thousand three hundred dollars (\$2,300), or the*
16 *adjusted amount as specified in paragraph (2), in any monthly*
17 *period.*

18 (C) *Notwithstanding subdivision (d), the Taxpayers' Rights*
19 *Advocate may order amounts returned in the case of a seizure of*
20 *property as a result of a jeopardy assessment, subject to the*
21 *amounts set or adjusted pursuant to this section.*

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

25 (i) *On or before March 1, 2016, 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 *(B).*

36 (ii) *When the applicable amount equals or exceeds an operative*
37 *threshold specified in subparagraph (B), 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 (B) 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 subparagraph (A) as the
5 operative adjustment to the amount specified in paragraph (1).

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

10 (d) ~~This~~ Except as provided in subparagraph (C) of paragraph
11 (1) of subdivision (b), this section shall not apply to the seizure of
12 any property as a result of a jeopardy assessment.

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

15 50156.12. (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) (A) The Taxpayers’ Rights Advocate may order the
20 release of any levy or notice to withhold issued pursuant to this
21 part or, within 90 days from the receipt of funds pursuant to a levy
22 or notice to withhold, order the return of any amount up to ~~one~~
23 ~~two thousand five~~ three hundred dollars ~~(\$1,500)~~ (\$2,300) of
24 moneys received, upon his or her finding that the levy or notice
25 to withhold threatens the health or welfare of the feepayer or his
26 or her spouse and dependents or family.

27 (B) The amount the Taxpayers’ Rights Advocate may release
28 or return to each taxpayer subject to a levy or notice to withhold,
29 is limited to two thousand three hundred dollars (\$2,300), or the
30 adjusted amount as specified in paragraph (2), in any monthly
31 period.

32 (C) Notwithstanding subdivision (d), the Taxpayers’ Rights
33 Advocate may order amounts returned in the case of a seizure of
34 property as a result of a jeopardy assessment, subject to the
35 amounts set or adjusted pursuant to this section.

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

39 (i) On or before March 1, 2016, and on or before March 1 each
40 year thereafter, the board shall multiply the amount applicable

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

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

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

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

24 (d) ~~This~~ Except as provided in subparagraph (C) of paragraph
 25 (1) of subdivision (b), this section shall not apply to the seizure of
 26 any property as a result of a jeopardy assessment.

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

29 55333. (a) The board shall release any levy or notice to
 30 withhold issued pursuant to this part on any property in the event
 31 that the expense of ~~any of the following:~~ sale process exceeds the
 32 liability for which the levy is made.

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

35 ~~(2)~~

36 (b) (1) (A) The Taxpayers’ Rights Advocate ~~orders~~ may order
 37 the release of ~~the~~ any levy or notice to withhold upon his or her
 38 finding that the levy or notice to withhold issued pursuant to this
 39 part or, within 90 days from the receipt of funds pursuant to a levy
 40 or notice to withhold, order the return of any amount up to two

1 *thousand three hundred dollars (\$2,300) of moneys received,*
2 *threatens the health or welfare of the taxpayer or his or her spouse*
3 *and dependents or family.*

4 *(B) The amount the Taxpayers' Rights Advocate may release*
5 *or return to each taxpayer subject to a levy or notice to withhold,*
6 *is limited to two thousand three hundred dollars (\$2,300), or the*
7 *adjusted amount as specified in paragraph (2), in any monthly*
8 *period.*

9 *(C) Notwithstanding subdivision (d), the Taxpayers' Rights*
10 *Advocate may order amounts returned in the case of a seizure of*
11 *property as a result of a jeopardy assessment, subject to the*
12 *amounts set or adjusted pursuant to this section.*

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

16 *(i) On or before March 1, 2016, and on or before March 1 each*
17 *year thereafter, the board shall multiply the amount applicable*
18 *for the current fiscal year by the inflation factor adjustment*
19 *calculated based on the percentage change in the Consumer Price*
20 *Index, as recorded by the California Department of Industrial*
21 *Relations for the most recent year available, and the formula set*
22 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
23 *resulting amount will be the applicable amount for the succeeding*
24 *fiscal year only when the applicable amount computed is equal to*
25 *or exceeds a new operative threshold, as defined in subparagraph*
26 *(B).*

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

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

37 ~~(b)~~

38 *(c) The board shall not sell any seized property until it has first*
39 *notified the taxpayer in writing of the exemptions from levy under*

1 Chapter 4 (commencing with Section 703.010) of *Division 2* of
2 Title 9 of *Part 2* of the Code of Civil Procedure.

3 ~~(e) This~~

4 *(d) Except as provided in subparagraph (C) of paragraph (1)*
5 *of subdivision (b), this section shall not apply to the seizure of any*
6 *property as a result of a jeopardy assessment.*

7 *SEC. 12. Section 60632 of the Revenue and Taxation Code is*
8 *amended to read:*

9 60632. (a) The board shall release any levy or notice to
10 withhold issued pursuant to this part on any property in the event
11 the expense of the sale process exceeds the liability for which the
12 levy is made.

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

21 (B) *The amount the Taxpayers' Rights Advocate may release*
22 *or return to each taxpayer subject to a levy or notice to withhold,*
23 *is limited to two thousand three hundred dollars (\$2,300), or the*
24 *adjusted amount as specified in paragraph (2), in any monthly*
25 *period.*

26 (C) *Notwithstanding subdivision (d), the Taxpayers' Rights*
27 *Advocate may order amounts returned in the case of a seizure of*
28 *property as a result of a jeopardy assessment, subject to the*
29 *amounts set or adjusted pursuant to this section.*

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

33 (i) *On or before March 1, 2016, and on or before March 1 each*
34 *year thereafter, the board shall multiply the amount applicable*
35 *for the current fiscal year by the inflation factor adjustment*
36 *calculated based on the percentage change in the Consumer Price*
37 *Index, as recorded by the California Department of Industrial*
38 *Relations for the most recent year available, and the formula set*
39 *forth in paragraph (2) of subdivision (h) of Section 17041. The*
40 *resulting amount will be the applicable amount for the succeeding*

1 *fiscal year only when the applicable amount computed is equal to*
2 *or exceeds a new operative threshold, as defined in subparagraph*
3 *(B).*

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

9 *(B) For purposes of this paragraph, “operative threshold”*
10 *means an amount that exceeds by at least one hundred dollars*
11 *(\$100) the greater of either the amount specified in paragraph (1)*
12 *or the amount computed pursuant to subparagraph (A) as the*
13 *operative adjustment to the amount specified in paragraph (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~~ Except as provided in subparagraph (C) of paragraph*
19 *(1) of subdivision (b), this section shall not apply to the seizure of*
20 *any property as a result of a jeopardy assessment.*

21 ~~SECTION 1. Section 6002 of the Revenue and Taxation Code~~
22 ~~is amended to read:~~

23 ~~6002. Unless the context otherwise requires, the definitions~~
24 ~~given in this chapter govern the construction of this part.~~