



State of California
Franchise Tax Board

3561 BOOKLET

INSTALLMENT AGREEMENT

You may be eligible to make monthly installment payments, if you have a financial hardship and cannot pay your tax amount in full. If we approve your request, we agree to let you pay the tax amount you owe in monthly installments instead of immediately paying the amount in full. You must make your monthly payments through electronic funds transfer (EFT). EFT allows you to automatically make payments to the Franchise Tax Board by a direct transfer of funds from your checking or savings bank account.

When you request an installment agreement, you agree to meet all future tax liabilities. You must file your future returns timely and have enough withholding or estimated tax payments to pay your tax liability in full for future years. You will be in default on your agreement, if you do not make your payments on time or if you have an outstanding past due amount in a future year. We may take enforcement actions to collect the entire amount you owe. Please, check your W-4 or DE-4 on file with your employer to be sure that your withholding rate is correct. If you have income from other sources, be sure that your estimate payments are adequate.

WHAT YOU SHOULD KNOW IF YOU ARE APPROVED FOR AN INSTALLMENT AGREEMENT

- Your payment will be automatically deducted from your bank account.
- Additional interest and some penalties will continue to accrue while you make your scheduled payments.
- You must contact your employer to adjust your W-4 form to ensure that your tax is covered each year. You may need to change your W-4 form to ensure enough money is being withheld to pay any future tax.
- We will keep any state tax refund you are due and deduct it from the total amount you owe, but **will not** replace your monthly payment.
- We can file a state tax lien to protect the state's interest until you pay off your balance (Government Code Section 7170-7173). Your credit record might reflect the lien.

TAXPAYERS' BILL OF RIGHTS

The California Taxpayers' Bill of Rights ensures that we adequately protect the rights, privacy, and property of all California taxpayers during the process of assessing and collecting taxes. The following information may be helpful to you if we begin collection actions on your tax liability.

Alternatives to Collection Actions

If you contact us, you can prevent collection actions by doing any of the following:

- Paying your tax liability in full.
- Making an installment agreement.
- Filing any required returns or providing proof that no return is due.
- Making an Offer in Compromise that we accept.
- Establishing that your financial hardship prevents you from paying this liability.

Laws Regarding Collection Actions

Third Party Contacts: We may contact third parties to determine or collect your tax liabilities. To the extent the law allows, we will provide you, upon your request, a list of individuals or organizations we contacted during the 12-month period following the date of the enclosed notice. We must receive your request no later than 60 days after the 12-month period has ended. (R&TC Section 19504.7)

Installment Agreement Cancellation: If we cancel your installment agreement, we will notify you in writing 30 days prior to the cancellation. (R&TC Section 19008)

Tax Liens: If we file a tax lien, you can get it released by paying the total tax liability (including any penalties and accrued interest) for the tax years represented by the lien. We will record a certificate of release in the office of the county recorder where we filed the tax lien and/or with the California Secretary of State no later than 40 days after you pay the liability. If you pay by check, the 40-day period does not begin until your financial institution honors the check. (R&TC Section 19206) Unfortunately, we sometimes file a tax lien in error. If this happens to you, please write to us and tell us why you think we are wrong. If we agree with you, we will send a notice to the applicable county recorder's office and to credit reporting companies in that county stating that we filed the tax lien in error. (R&TC Section 21019)

Bank, Wage, or Other Levies: If we take your property and you believe our action is improper, you have the right to a hearing. At the hearing, you should provide information that demonstrates to us the need to change or withdraw our levy or stop the sale of your property.

If we seize your bank account in error, and you did not contribute to that error, we may reimburse you for related bank charges. You must file your reimbursement claim within 90 days of the levy. (R&TC Section 21018)

The California Code of Civil Procedure Sections 700.010 through 704.995, and the California Revenue and Taxation Code Sections 18670 and 18671 govern the seizure and sale of real and personal property. The California Code of Civil Procedure Sections 706.020 through 706.154 govern wage garnishment.

You can contact the **Taxpayer Advocate** by:

MAIL: TAXPAYER ADVOCATE BUREAU
PO BOX 157
RANCHO CORDOVA CA 95741-0157
TELEPHONE: (800) 883-5910
WEBSITE: www.ftb.ca.gov

TELEPHONE AND INTERNET ASSISTANCE

From within the United States, call (800) 852-5711
From outside the United States, call (not toll-free) (916) 845-6500
Website. www.ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.