



Home	Bill Information	California Law	Publications	Other Resources	My Subscriptions	My Favorites
------	------------------	----------------	--------------	-----------------	------------------	--------------

Code:  Section:

[Up^](#) [Add To My Favorites](#)

**GOVERNMENT CODE - GOV**

**TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980]** ( Title 2 enacted by Stats. 1943, Ch. 134. )

**DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15990.3]** ( Division 3 added by Stats. 1945, Ch. 111. )

**PART 9.5. Office of Tax Appeals [15670 - 15680]** ( Part 9.5 added by Stats. 2017, Ch. 16, Sec. 13. )

**15670.** (a) There shall be established in state government the Office of Tax Appeals.

(b) (1) The office is under the control of a director. The Governor shall appoint the director, chief deputy director, and chief counsel of the office. The appointment of the director is subject to confirmation by the Senate.

(2) The director shall administer and direct the day-to-day operations of the office, including, but not limited to, ensuring that each hearing office is sufficiently staffed and that appeals hearings are heard and resolved in a timely and efficient manner. The director shall not direct, oversee, supervise, or be otherwise involved in the decisionmaking process of the tax appeals panels.

(c) Within the office, there shall be tax appeals panels. Each tax appeals panel shall consist of three members designated by the director of the office. Each member shall be a person who satisfies all of the following criteria:

(1) The person agrees to adhere to the ethics standards adopted by the office pursuant to subdivision (d).

(2) The person has knowledge and experience with regard to the administration and operation of the tax and fee laws of the United States and California.

(3) Either of the following is true:

(A) The person maintained an active membership in the State Bar of California for at least five years immediately preceding designation to a tax appeals panel and meets the qualifications for a state employee classification as an administrative law judge.

(B) The person is employed under either of the following state employee classifications:

(i) The Business Taxes Specialist, California Department of Tax and Fee Administration series.

(ii) The Program Specialist, Franchise Tax Board series.

(d) The office shall adopt by rule, pursuant to Section 15679, ethics standards, including rules governing conflicts of interest and ex parte communication. The office shall, to the extent applicable, model the rules upon the Code of Judicial Ethics adopted by the Supreme Court pursuant to subdivision (m) of Section 18 of Article VI of the California Constitution.

(e) The hiring of members for tax appeals panels shall be conducted by the office in compliance with state civil service requirements.

(f) It is the intent of the Legislature that the changes made to this section by the act adding this subdivision authorizing the office to hire specified tax specialists to serve as members of tax appeals panels shall be implemented by the office in a manner that will not directly cause a reduction in the number of administrative law judges currently employed by the office.

(Amended by Stats. 2022, Ch. 48, Sec. 43. (SB 189) Effective June 30, 2022.)

**15671.** For purposes of this part, the following terms shall have the following meanings:

(a) "Appeal" means any of the following:

(1) A petition, including, but not limited to, a petition for redetermination, petition for reassessment, petition for reconsideration of successor liability, or petition for rehearing.

(2) Administrative protest with respect to a tax or fee administered by the California Department of Tax and Fee Administration.

(3) Claim, including a claim for refund with respect to a tax or fee administered by the California Department of Tax and Fee Administration.

(4) Appeal from an action of the Franchise Tax Board filed under Part 10.2 (commencing with Section 18401) of Division 2 of the Revenue and Taxation Code or Chapter 1 (commencing with Section 20501) and Chapter 4 (commencing with Section 20641) of Part 10.5 of Division 2 of the Revenue and Taxation Code.

(5) Application, including, but not limited to, an application for administrative hearing.

(6) Any other item that may be scheduled for a hearing, including, but not limited to, requests for relief of taxes, fees, interest, or penalties.

(b) "Office" means the Office of Tax Appeals.

*(Amended by Stats. 2017, Ch. 252, Sec. 9. (AB 131) Effective September 16, 2017.)*

**15672.** (a) Except as provided in subdivision (b) of Section 15600, the office is the successor to, and is vested with, all of the duties, powers, and responsibilities of the State Board of Equalization necessary or appropriate to conduct appeals hearings.

(b) The tax appeals panels and the appeals hearings conducted by the tax appeals panels under this part shall not be construed to be, or to be conducted by, a tax court.

*(Amended by Stats. 2017, Ch. 252, Sec. 10. (AB 131) Effective September 16, 2017.)*

**15673.** The office's headquarters shall be in Sacramento. A hearing office shall be located in Sacramento, Fresno, and Los Angeles.

*(Added by Stats. 2017, Ch. 16, Sec. 13. (AB 102) Effective June 27, 2017. Operative July 1, 2017, pursuant to Section 15680.)*

**15674.** (a) The tax appeals panels shall do all of the following:

(1) On or after January 1, 2018, conduct all appeals hearings for those duties, powers, and responsibilities transferred to the office pursuant to Section 15672.

(2) Issue a written opinion for each appeal decided.

(3) Except as otherwise provided in this part, conduct all appeals hearings and proceedings under the Administrative Procedure Act.

(b) On or after January 1, 2018, the State Board of Equalization shall not conduct appeals or take any other action with respect to an appeal, except as provided in subdivision (b) of Section 15600 and consistent with subdivision (d) of Section 15600.

*(Amended by Stats. 2017, Ch. 252, Sec. 11. (AB 131) Effective September 16, 2017.)*

**15675.** The office shall publish a written opinion for each appeal decided by each tax appeals panel. The written opinion shall be published within 100 days after the date upon which a tax appeals panel's decision becomes final.

*(Added by Stats. 2017, Ch. 16, Sec. 13. (AB 102) Effective June 27, 2017. Operative July 1, 2017, pursuant to Section 15680.)*

**15676.** A person may be represented on an appeal by any authorized person or persons, at least 18 years of age, of the person's choosing, including, but not limited to, an attorney, appraiser, certified public accountant, public accountant, bookkeeper, employee, business associate, or any other person.

*(Amended by Stats. 2017, Ch. 252, Sec. 12. (AB 131) Effective September 16, 2017.)*

**15676.2.** (a) Notwithstanding subdivision (c) of Section 15670, the office shall establish a process under which a person filing an appeal may opt to appear before one member if either of the following is true:

(1) If the appeal arises from a tax, fee, or penalty imposed pursuant to the Personal Income Tax Law (Part 10 (commencing with Section 17001) of Division 2 of the Revenue and Taxation Code), and the total amount in dispute, including penalties and fees, is less than five thousand dollars (\$5,000).

(2) If the appeal arises from a tax, fee, or penalty administered by the California Department of Tax and Fee Administration, and both of the following are satisfied:

(A) The entity filing the appeal has gross receipts of less than twenty million dollars (\$20,000,000).

(B) The total amount in dispute, including penalties and fees, is less than fifty thousand dollars (\$50,000).

(b) The decision of one member made pursuant to the process established by this section shall not have precedential effect.

(c) As used in this section, "member" means a person qualified to serve on a tax appeals panel pursuant to Section 15670.

(d) This section shall remain in effect only until January 1, 2030, and as of that date is repealed.

*(Amended by Stats. 2022, Ch. 48, Sec. 44. (SB 189) Effective June 30, 2022. Repealed as of January 1, 2030, by its own provisions.)*

**15677.** If a person that sought relief from a tax appeals panel disagrees with its decision, the person may bring an action in superior court in accordance with the law imposing the tax or fee for a trial de novo.

*(Amended by Stats. 2017, Ch. 252, Sec. 14. (AB 131) Effective September 16, 2017.)*

**15678.** (a) A member of the State Board of Equalization shall not represent a person before a tax appeals panel before one year after the expiration of the member's term on the board or one year after separation from the board.

(b) The staff of a member of the State Board of Equalization shall not represent a person before a tax appeals panel before one year after separation from employment with that member.

*(Added by Stats. 2017, Ch. 16, Sec. 13. (AB 102) Effective June 27, 2017. Operative July 1, 2017, pursuant to Section 15680.)*

**15679.** (a) (1) By January 1, 2018, the office shall adopt regulations as necessary or appropriate to carry out the purposes of this part. Any rule or regulation adopted pursuant to this section may be by adoption of an emergency regulation in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1.

(2) Until January 1, 2019, the adoption and readoption of emergency regulations by the office to carry out the office's duties, powers, and responsibilities pursuant to this part shall be deemed to be an emergency and necessary for the immediate preservation of public peace, health and safety, or general welfare for purposes of Sections 11346.1 and 11349.6 and the office is hereby exempted from the requirement that it describe facts showing the need for immediate action and from review of the emergency regulations by the Office of Administrative Law.

(3) To the extent possible, regulations adopted to carry out the purposes of paragraph (2) of subdivision (c) of Section 15670 shall be consistent with all of the following:

(A) The procedures established by the Commission on Judicial Performance for regulating activities of state judges.

(B) The gift, honoraria, and travel restrictions on legislators contained in the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

(C) The Model State Administrative Tax Tribunal Act dated August 2006 adopted by the American Bar Association.

(b) Chapter 3.5 (commencing with Section 11340) of Part 1 shall not apply to any policy, procedure, notice, or guideline issued by the office, or to any final written opinion published by the office within the meaning of Section 15675. The office may designate any published written opinion as precedential and, if so designated, it may be cited as precedent in any matter or proceeding before the office, unless the written opinion has been overruled, superseded, or otherwise designated nonprecedential by the office. Designation of a written opinion as precedential, or publication of a policy, procedure, notice, or guideline by the office, is not a rulemaking and need not be done under Chapter 3.5 (commencing with Section 11340) of Part 1.

*(Amended by Stats. 2023, Ch. 45, Sec. 39. (AB 127) Effective July 10, 2023.)*

**15679.5.** (a) Consistent with Section 15674, all appeals hearings and proceedings shall be conducted pursuant to the Administrative Procedure Act. To the extent applicable and not in conflict with this part, the regulations contained in Division 2.1 of Title 18 of the California Code of Regulations shall continue in force and apply to all appeals hearings and proceedings.

(b) (1) Pursuant to Section 15679, the office shall amend, repeal, or add to the regulations described in subdivision (a) as necessary or appropriate to govern hearings and proceedings conducted by tax appeals panels pursuant to this part.

(2) Notwithstanding any other law and consistent with Section 15676 and Division 2.1 of Title 18 of the California Code of Regulations, the office shall adopt regulations regarding the presentation of evidence and preparation for hearings and proceedings before a tax appeals panel that do not require application of specialized knowledge.

(3) To the extent applicable and not in conflict with this part, regulatory actions adopted to carry out this subdivision shall be consistent with the Model State Administrative Tax Tribunal Act dated August 2006 adopted by the American Bar Association.

*(Added by Stats. 2017, Ch. 252, Sec. 15. (AB 131) Effective September 16, 2017.)*

**15680.** This part shall become operative on July 1, 2017.

*(Added by Stats. 2017, Ch. 16, Sec. 13. (AB 102) Effective June 27, 2017. Note: Operative date provision applies to Part 9.5, commencing with Section 15670.)*