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CA Controller Directs State Franchise Tax Board to Review Interest Calculations

SACRAMENTO – State Controller and Franchise Tax Board Chair Betty T. Yee is directing FTB to review and adjust interest calculations related to two IRS rulings: *May Department Stores v. United States* (IRS Revenue Ruling 99-40) and Corporation Interest Netting (IRS Revenue Procedure 94-60).

“These rulings deal with complex interest calculations that affect very few taxpayers. However, these taxpayers are entitled to receive refunds of allowed overpaid interest,” Controller Yee said. “As chair of the FTB, I work to ensure the rights of taxpayers are protected.”

The May Department Stores calculation affects a limited number of individuals and business entities that elected overpayments to be applied as estimated tax payments for the following tax year.

Corporation interest netting affects corporations that may have received a refund subject to interest and subsequently increased taxes for the same tax year.

The statute of limitations may soon expire for refund claims for tax year 2010. For more information about who qualifies for the refunds, visit the FTB website at ftb.ca.gov and search “Interest Adjustment.”

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