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Westly Announces Program To Find State Millions

Program netted almost \$500 million last year

Eds: Detailed City and County Info Available

SACRAMENTO – State Controller and Franchise Tax Board Chairman Steve Westly today said the state has identified 600,000 Californians who did not file state tax returns for 2004 but earned income that year. They will be required to pay what they owe or justify why they did not file returns. A similar program last year raised \$471 million for state services.

“We double and triple check our records to make sure our roads, parks and schools are getting all the funding they're owed,” Controller Westly said. “The state is owed more than \$6.5 billion every year that it doesn't collect. Two programs I led collected more than \$3.5 billion, proving we can raise a lot of money for state services without raising taxes or cutting vital programs.”

“This program is a vital step toward reducing the state's \$6.5 billion tax gap,” said BOE Chair and FTB Member John Chiang. “Many programs that people depend upon are facing a funding crisis in our state, which makes it even more imperative we do everything we can to collect this revenue.”

One of the collection programs Controller Westly led was predicted to raise \$90 million. It raised \$1.4 billion. The other was projected to raise \$550 million. It raised more than \$2.2 billion.

Last month, Controller Westly announced a new initiative that is projected to collect \$400 million from people involved in 21 types of abusive tax shelters.

Tax returns for 2004 were due on October 17, 2005. The Franchise Tax Board is sending letters to the non-filers. Letter recipients have 30 days to provide explanations to the FTB or file returns without penalties or fees.

Information is available at www.ftb.ca.gov/inc. Through the site, people can request more time to respond to the FTB letter, learn about payment options, obtain tax forms, correct errors, and request a reminder of next year's filing deadline. People who received letters can also call (866) 204-7902 for the information.

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