

**CAREER OPPORTUNITY
CALIFORNIA FRANCHISE TAX BOARD
LEGAL DIVISION**



The California Franchise Tax Board (FTB) employs approximately 90 attorneys in Sacramento, California. The FTB's principal charge is the administration of both the Personal Income and Bank and Corporation Tax Laws of California. Its attorneys perform a variety of functions that include:

- ➔ Development and determination of administrative protests
- ➔ Appeals to the California State Board of Equalization
- ➔ Litigation in conjunction with the California Attorney General's Office
- ➔ Drafting of advice memoranda and rulings, both internal and external
- ➔ Drafting of regulations and establishment of tax policy in conjunction with the three-member Franchise Tax Board, the California Legislature, and the Governor's office
- ➔ Acting as in-house counsel to a state agency with over 6,000 employees

The Legal Division of the FTB has a national reputation for excellence and deals with the cutting-edge issues in state tax policy and the taxation of multijurisdictional businesses. Many of its cases involve the largest national and international businesses represented by the nation's major law firms and accounting firms. Attorneys for the FTB have directly participated in seven cases heard by the United States Supreme Court in the last two decades and have participated in an *amicus* capacity in most other United States Supreme Court cases involving state income tax issues. Attorneys from the FTB are regularly asked to appear at major tax policy conferences throughout the nation. Issues involving the FTB's policies and procedures have been at the center of both Congressional and international debates and consideration.

Attorneys with the FTB are provided with both general training and training specific to the subject matter to which they are assigned and assume full responsibility for a caseload within a short period of time. Attorneys are also expected to work with other attorneys and other members of the department's staff on team cases and projects.

The State of California is an equal opportunity employer subject to the rules of the California Civil Service system. Employment is conditioned upon a competitive examination process and membership in the California bar.

For additional information, please refer to our website at www.ftb.ca.gov and the Legal Division. Resumes may be submitted electronically to our recruitment officer at LegalRecruiter@ftb.ca.gov or mailed to Shane Hofeling, Tax Counsel III, Franchise Tax Board, Legal Division, MS A-260, P.O. Box 1720, Rancho Cordova, CA 95741-1720.

CALIFORNIA FRANCHISE TAX BOARD'S LEGAL DIVISION



The California Franchise Tax Board (FTB) is nationally recognized for the quality and innovation of its programs and personnel. The FTB's Legal Division has a national reputation for excellence and deals with cutting-edge issues in state tax law and policy, including the taxation of multijurisdictional businesses. Attorneys for the FTB have participated in cases heard by the United States Supreme Court, advised Congress and state legislatures on important tax law and policy issues, and regularly speak at major tax policy conferences throughout the nation.

The Legal Division provides legal advice and support to the FTB, a large, dynamic organization impacting all businesses and households in California. The Legal Division is comprised of approximately 90 attorneys, nine paralegals, and 40 administrative and support employees, all committed to quality legal service. Throughout the Legal Division, attorneys are regularly presented with opportunities to hone the skills required of excellent lawyers.

To conduct its role effectively and efficiently, the Legal Division is divided into five law bureaus. Attorneys in the Legal Division develop legal expertise in subject matters. They advise staff throughout the department, as well as the three-member Franchise Tax Board, on issues relative to their expertise. Attorneys draft legislation, regulations, notices, and legal rulings. Acting as hearing officers in protest cases, they independently determine the tax liability of individuals and various entities. Attorneys negotiate and settle tax disputes and argue the department's position in appeal hearings before the California State Board of Equalization. They provide the California Attorney General's Office with technical legal assistance in tax litigation in all levels of state and federal courts. Below are descriptions of the substantive legal areas within each of the law bureaus.

The Law Bureaus

General Tax Law Bureau

The General Tax Law Bureau (GTLB) handles legal matters involving provisions of the Personal Income Tax Law and Corporation Tax Law other than those involving apportionment and tax administration. The laws administered by GTLB are a distinct combination of state law conforming to federal law and stand-alone California law. The legal professionals in GTLB are experts in both federal tax law and provisions of the California Revenue and Taxation Code that are unique to California.

The attorneys in GTLB handle protests, appeals, litigation, legislation and forms review, and provide advice and guidance to department staff and taxpayers and their representatives. GTLB attorneys work on matters covering a wide range of subjects, including residency, sourcing of income, gross income, deductions, tax credits, pension plans, stock options, Native American taxation, and abusive tax shelters. These issues arise from a variety of entities including individuals, corporations, partnerships, limited liability corporations, Subchapter S corporations, exempt organizations, banks and financial corporations, insurance companies, and estates and trusts. Members of GTLB have also testified before Congress and state legislatures and assisted other states in the administration of their tax programs.

The General Counsel Section provides legal advice to the Chief Counsel, the Executive Officer, and high-level managers for a number of non-tax programs. The section represents the department in such diverse areas as personnel matters, labor relations, contracts, privacy and disclosure issues, conflicts of interest, bankruptcy law, collections, criminal investigations, interagency agreements, and subpoenas. Attorneys also appear in administrative proceedings involving personnel issues and oversee bankruptcy actions and collection cases.

Tax Administration & Procedure Bureau

Procedural provisions permeate tax law. The Tax Administration & Procedure (TAP) Bureau provides guidance to the department with respect to administrative and procedural issues arising under federal and state tax law. The legal professionals in the TAP Bureau handle protests, appeals, proposed regulations, forms review, and litigation matters in

such diverse areas as claims for refund, credits, federal actions, federal tax court procedures, filing enforcements, court-awarded compensation, punitive damages, innocent spouse issues, interest waiver issues, penalties, tax shelter penalties, and withholding issues. They handle most of the department's administrative tax appeals and, thus, appear frequently before the California State Board of Equalization to argue the FTB's legal position. Attorneys in the TAP Bureau develop excellent brief-writing and oral-argument skills.

Working with the TAP Bureau, the Dispute Management and Administrative Proceedings Section is responsible for managing the appeals function. Staff of the section also handle appeals and government claims. In addition, the section oversees the administration of docketed protests, litigation, and regulatory matters, and coordinates procedures with the California State Board of Equalization.

Multistate Tax Bureau

California requires multistate and multinational businesses to pay franchise and income taxes according to the extent of their business activities within the state, through a process known as income allocation and apportionment and commonly referred to as unitary taxation. It is based upon United States Supreme Court jurisprudence, principally the Due Process Clause of the Fourteenth Amendment and the Commerce Clause. The administration of this process frequently raises complex legal questions, especially in the emerging age of e-commerce and the Internet. Attorneys in the Multistate Tax Bureau handle cases involving Fortune 500 companies and often deal with some of the largest law firms in the nation. This work has had a national impact as a number of the FTB cases have received national and international prominence. Attorneys in the Multistate Tax Bureau have participated in several cases heard by the United States Supreme Court in the last two decades and have participated in an *amicus* capacity in most other United States Supreme Court cases involving state income tax issues.

Attorneys in the Multistate Tax Bureau handle such diverse areas as nexus issues, taxation of banks and financial corporations, determination of business and non-business income, combined report accounting, credits, dividend issues, payroll, property, and sales factor issues, transfer pricing, unitary business concepts, unity of ownership, and water's edge provisions.

Settlement Bureau

To avoid the costs and risks associated with litigation, it is sometimes in the state's and the taxpayer's best interest to settle certain tax disputes. The Settlement Bureau settles civil tax matters in dispute that are the subject of protests, appeals, or refund claims. Attorneys in the Settlement Bureau handle a wide variety of legal issues running the entire gamut of tax law. They must accurately assess litigation risks posed by each of their cases, negotiate effectively, and justify their settlement proposals persuasively to all review levels.

The FTB settlement program shortens the tax-dispute process, provides taxpayers with an alternative forum for their potential tax liability, and reduces costs for taxpayers and the state. The Settlement Bureau's effort to settle disputed tax matters has been extremely successful for the State of California and for the taxpayer. Each year, the Settlement Bureau settles over five hundred million dollars in disputed liabilities.

Technical Resources Bureau

The Technical Resources Bureau (TRB) contains the Legislation, Policy & Review, and the Administrative Support sections.

The Legislation, Policy & Review Section is responsible for coordinating, noticing, and providing advice regarding the 3-member Franchise Tax Board meetings, coordinating and reviewing FTB publications (including FTB legal rulings and FTB Notices), and coordinating the adoption and publication of regulations. Attorneys in TRB are intimately involved in the FTB's Legislative Program. Each year, attorneys draft, review, and analyze hundreds of pieces of California legislation as well as provide guidance in the implementation of newly enacted laws. Attorneys in TRB also analyze and provide guidance relating to California's conformity to federal tax law.

The Administrative Support Section is responsible for budgeting, business and facilities planning, technical and clerical support, and office management.

CALIFORNIA FRANCHISE TAX BOARD

Internship Program – Legal Division



If you are a law student interested in taxation, an internship in the Legal Division of the California Franchise Tax Board (FTB) may be just what you're looking for. We provide our interns with an opportunity to gain experience in tax law in one of the largest state tax agencies in the country while working with some of the most knowledgeable tax attorneys in the state. In a friendly and flexible environment, our program will expose you to various activities such as researching tax issues, drafting memoranda and briefs, and attending administrative hearings. In addition, our program offers opportunities unique to the public sector, such as formulating policy, working on regulation projects, or implementing new programs. Our interns are given the opportunity to participate in various training courses related to the operations of the department as well as the use of computers for program management and accessing other sources of information. We also make a concerted effort to allow interns an opportunity to observe many of the various types of hearings in which the Legal Division represents the state.

Our Organization

The principal responsibility of the FTB is the fair and efficient administration of California's Personal Income Tax, Franchise Tax, and Corporation Income Tax. Our department also collects many non-tax debts for the state and its other subdivisions. The Legal Division of the FTB employs approximately 90 attorneys, almost all of them in Sacramento. The Legal Division is organized into three major areas of substantive responsibility:

- The **Tax Administration & Procedure (TAP) Bureau**, the **General Tax Law Bureau**, and the **Multistate Tax Bureau** all perform similar functions in their areas of responsibility, which include the following:
 - Protests (internal consideration of audit adjustments protested by taxpayers)
 - Appeals before the California State Board of Equalization (briefing and oral argument at the administrative level)
 - Litigation in conjunction with the California Attorney General's office
 - Drafting internal and external advice memoranda
 - Drafting regulations and establishing departmental policy in conjunction with, and under the direction of, the three-member Franchise Tax Board
 - Drafting or reviewing proposed legislation and forms
- The **TAP Bureau** focuses on administrative and procedural issues common to both the Personal Income and Corporation Tax Laws. The **General Tax Law Bureau** deals with general tax law questions for individuals, corporations, and other entities involving issues similar to issues addressed by the Internal Revenue Service. It also deals with issues surrounding

the residency of individuals and the sourcing of their income. The General Counsel Section of the General Tax Law Bureau functions in an in-house counsel capacity to the department. Its practice includes government and administrative law, personnel, contracts, debt collection, and bankruptcy. The **Multistate Tax Bureau** deals with issues involving the geographic division, or allocation and apportionment, of the income of multijurisdictional business entities.

In addition to the three subject matter bureaus, two additional bureaus work along functional lines:

- The **Settlement Bureau** attempts to settle tax disputes during all phases of the administrative process.
- The **Technical Resources Bureau** primarily works on legislative and regulatory issues.

(For additional information regarding the organization of the Legal Division of the FTB, please consult our website at www.ftb.ca.gov.)

Internships

Interns are assigned to a particular bureau based on the Legal Division's needs and the intern's area of interest. Interns are generally supervised by an attorney working in the assigned bureau, and receive assignments from that bureau's workload. Interns may also receive assignments from other bureaus based on their interest or to provide a well-balanced experience.

We offer internships for course credit. Internships for academic credit are coordinated with the student's law school. Time commitments for interns receiving course credit vary with each school's requirements. Interns' hours are flexible depending on the needs of the Legal Division and the intern. Internships are available only in Sacramento.

To apply for an internship, mail or e-mail a cover letter, resume, unofficial transcript, and writing sample to Adam Susz, Tax Counsel III, Franchise Tax Board, Legal Division, MS A-260, P.O. Box 1720, Rancho Cordova, CA 95741-1720. Application deadlines are as follows:

Summer:	February 15	(start date in June)
Fall:	May 15	(start date in September)
Spring:	October 15	(start date in January)

Late or incomplete applications cannot be accepted.

For further information, please contact Adam Susz at the above address, telephone (916) 845-7066, or by email at LegalRecruiter@ftb.ca.gov.

"What It Is Like To Be A Franchise Tax Board Attorney"

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What it is like to be a Franchise Tax Board Attorney

I am frequently asked "what it is like to be a Franchise Tax Board attorney." The short answer is "great." I would not trade my job for any other in the field of state taxation, no matter how high paying. Don't sneer. It is true!

Franchise Tax Board, as all taxpayers know, administers the personal and corporate income tax. I believe that we are the foremost state income taxing agency.

Franchise Tax Board is nationally noted for the quality and innovation of its programs and personnel. The Legal Branch thereof provides legal advice and support to this large, dynamic organization that impacts most businesses and households in California.

The Legal Branch is made up of close to 90 attorneys, as well as paraprofessionals and support staff. Legal Branch attorneys have a great deal of opportunity to hone all the skills required of excellent lawyers.

Attorneys in the Legal Branch, for the most part, develop legal expertise in specific subject matter areas. They advise staff throughout the department, as well as the three-member Franchise Tax Board, on issues relative to their expertise.

Legal Branch attorneys draft legislation, regulations, notices, and legal rulings.

Legal Branch attorneys act as hearing officers. In said capacity, they attempt to resolve factual and legal issues relevant to tax liability in protest hearings. These attorneys will also argue the department's position in appeal hearings before the California State Board of Equalization and provide the Attorney General's office with technical legal assistance in tax litigation in Superior Court and at all appellate levels.

Legal Branch attorneys negotiate and settle civil tax matters which are in dispute.

Being a Franchise Tax Board attorney means being assigned to one of five bureaus in the Legal Branch thereof, as explained below.

California's tax law, to a large extent, conforms to federal tax law. This is true both for personal income tax law and for tax law applicable to business entities. The legal professionals in the General Tax Law Bureau are experts in both federal tax law and provisions of the Revenue and Taxation Code that are unique to California.

Procedural provisions permeate tax law. The legal professionals in the Tax Administration and Procedures Bureau are experts in this exacting subject matter. They handle most of the department's administrative tax appeals, and thus, appear frequently before the California State Board of Equalization to argue FTB's legal position.

California (like approximately 40 other states) requires multistate and multinational businesses to pay income taxes according to the extent of their businesses activities within the State through a process known as income apportionment. The administration of this process very frequently raises complex legal questions, especially in the emerging age of e-commerce and the Internet. This work, done by attorneys in the Multistate Tax Bureau, has even had a national impact as six Franchise Tax Board cases have been reviewed by the United States Supreme Court.

To avoid the costs and risks associated with litigation, it is frequently in the state's best interest to settle certain tax disputes. Attorneys in the Settlement Bureau handle a wide variety of legal issues running the entire gamut of tax law. They must accurately assess litigation risks posed by each of their cases, negotiate effectively, and justify their settlement proposals persuasively.

FTB is a very large organization. Like any large business, it is faced with a wide variety of legal issues involved in running such an organization, such as human resource questions and labor relations. FTB is responsible for a number of non-tax programs. For example, it acts as agent

to the California Department of Child Support Services for procuring an information technology system. It collects child support on behalf of most California counties. It collects Department of Motor Vehicle license fees and collects various counties' court-ordered debts. Attorneys in the Legal Affairs Bureau provide legal advice to the Chief Counsel, the Executive Officer, high-level managers, and program specialists in all those areas. In addition, they support the Legal Branch itself, coordinating the publication of legal documents such as FTB Legal Rulings, FTB Notices, and regulations. They are also intimately involved in FTB's Legislative Program, including the review and analysis of proposed legislation and the implementation of enacted laws.

Being a Franchise Tax Board Legal Branch attorney has meant handling my own caseload from almost the very first instant of employment. They are my cases - to win, lose, or resolve, as the case may be. The responsibility inherent in handling my own caseload can be quite staggering!

"Opponents" in my cases have included the major law firms and Certified Public Accounting firms in the world and/or major corporate and/or personal income taxpayers. Cases have been replete with truly "cutting-edge," eclectic legal issues.

Yet, at the end of the day, I have always been able to "sleep well" and have been proud of the work that I have done because my primary responsibility has always been to come to the correct legal answer. If I believe that the correct legal result is to withdraw on a case, for example, that has never been a problem for me or for anyone else at FTB.

I further have had the "luxury" of being able to thoroughly research very difficult areas of state taxation. Once again, I have only been expected to come to the correct legal conclusion.

FTB Legal Branch is known for its camaraderie. For me this is one of the most attractive aspects of my employment. We

help each other in any way possible. There is an "open door" policy here. Newer attorneys are encouraged to consult with the more experienced attorneys on any or all issues. Most bureaus within the Legal Branch have a great training program. We are indeed a diverse group of attorneys, with equal parts "career" FTB attorneys, attorneys who have come from major Certified Public Accounting firms, attorneys who have come from major law firms, and attorneys who have come from the corporate world. We pride ourselves in working together for the "common good" of the people of the State of California.

Management of the Legal Branch is incredibly supportive of its staff of attorneys. This has always been true of every Chief Counsel of the Legal Branch.

I personally am on my fourth Chief Counsel, having been with FTB for almost thirty years. FTB seems to attract persons of only the highest caliber, intelligence, and professionalism to this position. The philosophy of management is not to criticize but rather to provide truly valuable advice, feedback, insight, and assistance in the performance of one's duties and functions as an FTB staff attorney.

Of all the state governmental agencies, FTB Legal Branch has one of the lowest turnover rates. I believe that it is, quite simply, a "no lose" situation for attorneys who work for FTB Legal Branch. If an FTB attorney wants to leave after a few years in order to join a law or accounting firm specializing in state taxation, or to join the tax department of a corporation, he/she will, most likely, be able to do so,

because the wealth of experience, knowledge, and contacts obtained at FTB in just a few short years is incredibly rich. Outside law and accounting firms are forever attempting to raid our ranks because state taxation has become such an important field of law. However, in my case as well as in the case of many other FTB attorneys, we all intended to leave FTB after a few short years but truly "fell in love" with the job. The result is, as indicated above, that I will be celebrating my 30th year here next November. I never think of retirement: my career is just too exciting and rewarding.

So that is "what it is like to be an FTB attorney." I am truly grateful for having had this experience and hope to continue as a productive member of the Legal Branch of FTB for many years to come.