



State of California
Franchise Tax Board

P O Box 1468
Sacramento CA 95812-1468
ftb.ca.gov

FIRST LAST
STREET ADDRESS
CAMERON PARK CA 95682

Date: 05.22.14
Case: XXXXXXXXXXXXXXXXXXXX
Case Unit: XXXXXXXXXXXXXXXXXXXX
In reply refer to: XXX:XXX:XXXX

Regarding: California Personal Income Tax Examination
Account Number: XXXXXXXXXX
Taxpayer's Name: First Last
Taxable Year(s): 2011

Dear Ms. Last:

We have examined your California personal income tax return for the year listed above for the following issue.

Prior Year Alternative Minimum Tax (AMT) Credit: \$1,782

In tax year 2011 you claimed a credit for AMT paid in prior years. California Revenue and Taxation Code (CR&TC) § 17063 allows a credit for AMT paid to California on certain non-exclusion preference items in prior tax years. However, our records indicate you have not paid AMT to California in any tax years prior to tax year 2011. Therefore, we are disallowing your credit claimed for AMT paid in prior tax years.

The amount of additional tax owed for tax year 2011 is shown below:

Calculation of Additional Tax Due	2011
California Taxable Income as Reported	\$127,992
Tax - Tax Table	\$8,212
Less: Exemption Credits	\$732
Credits: Child Adoption Costs	\$169
Less: Revised Prior Year AMT Credit	\$0
Total Tax	\$7,311
Less: Original Tax Per Return	\$5,529
Additional Tax¹	\$1,782

If you disagree with our adjustment, please provide the following information by **June 25, 2014**:

1. A complete copy of the California and Federal return for the year(s) in which you paid AMT to California.

¹ The additional tax amount does not include interest which continues to accrue, except as provided under CR&TC §19116, until the deficiency is paid in full.

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2. Copies of California Form 3510 (Credit for Prior Year Alternative Minimum Tax) for all subsequent years.

To ensure proper handling, please attach a copy of this letter to the front of your response.

Franchise Tax Board
Attn: XXX IRS Contact Name MS: XXXX
PO Box 1468
Sacramento, CA 95812-1468

If we do not hear from you by the date above or if you agree with our adjustment, a Notice of Proposed Assessment (NPA) will be issued for tax year 2011 based on the explanation detailed above. Please do not mail any payments until you receive the NPA.

If you wish to designate someone to represent you in this matter, complete form F3520, Power of Attorney, which is available at www.ftb.ca.gov.

If the Internal Revenue Service has notified you of an audit, or if they have completed an audit of your income tax return for the above year, please provide a copy of their initial contact letter and/or a copy of the completed audit report, if applicable.

If you have any questions or concerns, feel free to contact me at the number provided below. Thank you.

IRS Contact Name
Telephone: 916.XXX.XXXX
Fax: 916.XXX.XXXX

Enclosures: FTB 1015B Frequently Asked Questions about Your Tax Audit
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