

State of California  
BOARD OF EQUALIZATION  
PROPERTY TAX RULES

California Code of Regulations, Title 18  
Division 2.1. State Board of Equalization-Rules for Tax Appeals  
Chapter 2. Special Taxes and Fees  
Article 3. Claims for Refund

**§ 5237. Chief Deputy Director Approval Required for Refunds Over \$100,000.**

(a) If the assigned section determines that a refund in excess of \$100,000 should be granted, the recommendation for the proposed refund must be submitted to the Chief Deputy Director for approval except where such a claim is for overpayment of insurance tax prepayments.

(b) Once the recommendation is submitted to the Chief Deputy Director, the Chief Deputy Director may approve the assigned section's recommendation or exercise discretion to make the Chief Deputy Director's own determination as to whether the claim for refund should be granted, denied, or granted in part and denied in part, and may do so without further documentation or testimony from the taxpayer.

(1) If the Chief Deputy Director approves the assigned section's recommendation to grant a refund, the assigned section will send the taxpayer a notice of refund showing the amount to be refunded, and will have a refund warrant prepared and sent to the taxpayer after determining if such amounts should be credited or offset against other liabilities as provided in section 5238.

(2) If the Chief Deputy Director makes his or her own determination, then the Chief Deputy Director will send the taxpayer a letter notifying the taxpayer of the determination. If the result of the Chief Deputy Director's determination will be more favorable to the taxpayer than the result of the assigned section's recommended determination, then the Chief Deputy Director's letter shall advise the taxpayer that its claim for refund will be granted or denied in accordance with the Chief Deputy Director's determination. However, if the result of the Chief Deputy Director's determination will be less favorable to the taxpayer than the result of the assigned section's recommended determination, then:

(A) The letter shall advise the taxpayer that the claim for refund will be granted or denied in accordance with the Chief Deputy Director's determination, unless the taxpayer requests an appeals conference or Board hearing within 30 days of the date of the letter; and

(B) If the taxpayer thereafter timely requests an appeals conference or Board hearing and the request is not denied under section 5236, the Board Proceedings Division will schedule an appeals conference; otherwise, the claim for refund will be granted or denied in accordance with the Chief Deputy Director's findings.

(c) If the assigned section determines that a refund in excess of \$100,000 should be denied, and the taxpayer has not requested an appeals conference with the Appeals Attorney or Board hearing, or confirmed a prior request for such a conference or hearing, or such prior requests were denied, the recommendation to deny the refund must be submitted to the Chief Deputy Director for approval as provided in subdivision (b). If the Chief Deputy Director approves the assigned section's determination, the assigned section will send the taxpayer a notice of denial of claim for refund in accord with that determination.

(d) If the assigned section or the Chief Deputy Director determines that a refund in excess of \$50,000 should be granted, the ~~proposed~~ determination must be available as a public record for at least 10 days ~~prior to~~ after its effective date.

*Authority:* Section 15606, Government Code; and Sections 13170 and 32451, Revenue and Taxation Code.

*Reference:* Sections 12977 and 32401, Revenue and Taxation Code.