

**[Letterhead]**

**[Date]**

**By Certified Mail**

Refund Unit  
Franchise Tax Board  
P.O. Box 942857  
Sacramento, CA 94257-4040

Re: Claim for Refund  
[insert Taxpayer name]  
CA Corp. Number: [insert]  
Taxable Year Ending [insert]

Dear Sir or Madam:

Through this letter [insert Taxpayer name] (“Taxpayer” or “[insert short Taxpayer name]”) is filing a claim for refund of California Corporation Income or Franchise Tax. In connection with this claim, we provide the following information:

**1. Name and Address of Taxpayer:**

[insert Taxpayer name]  
[insert address and phone]

**2. Corporation Number:**

The Taxpayer’s California Corporation Number is [insert]

**3. Years:**

Income Year[s] Ending [insert]

**4. Amount of Claim:**

This claim is in the amount of \$[insert] plus statutory interest.

[Insert chart of tax by year if claim covers multiple years]

**5. Grounds for Claim:**

Taxpayer is entitled to a refund on the following grounds:

- (a) Taxpayer's net operating losses and capital losses must be computed, carried over, and deducted on the unitary group level, including losses subject to I.R.C. § 382 imitations.

- (b) Taxpayer is entitled to extend the carryover period for its net operating losses by the number of years during which the net operating loss deduction was suspended.
- (c) Taxpayer is entitled to alternative apportionment or separate accounting under Section<sup>1</sup> 25137 because the allocation and apportionment method used to compute Taxpayer's California Corporation income or Franchise tax does not fairly represent the extent of Taxpayer's business activity in the state. For example, Taxpayer is entitled to recompute its pre-2013 net operating losses and capital losses by using a single sales factor apportionment formula.
- (d) The methods used to compute Taxpayer's net operating loss carryover amounts and deductions reflect such a high effective tax rate that it violates Taxpayer's due process rights and amounts to a taking of property without compensation in violation of the Takings Clause of the United States Constitution. *See* U.S. Cons. Amend. V; Cal. Const. Art. I, § 19(a).

Taxpayer reserves the right to supplement this refund claim and to submit further factual information and additional arguments regarding this refund claim. This refund claim pertains, without limitation, to the property, payroll, and sales factors of the apportionment formula contained in Sections 25120 through 25139, business income issues, non-business income issues, and any and all tax credit issues. Further, this refund claim pertains to all variations from the standard apportionment formula set forth in Section 25137. Rather than enumerate those variations, those variations are incorporated by this reference as a basis for Taxpayer's refund claim.

Please contact me with questions.

[signature]

[signature block]

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<sup>1</sup> All references to "Section" refer to sections within the California Revenue and Taxation Code.