

Income/Franchise:

California FTB Extends Filing Deadline for Class Action Settlement Claims Involving LLC Fee Refunds

Filing deadline extended for class action settlement claims, Cal. FTB (7/18/22). The California Franchise Tax Board (FTB) recently announced that the deadline has been extended to August 19, 2022 (previously, July 5, 2022), for affected limited liability companies (LLCs) to file claims pursuant to the class action settlement announced in FTB Notice 2022-02 [see *State Tax Matters*, Issue 2022-19, for more details on FTB Notice 2022-02]. In FTB Notice 2022-02, the FTB informed LLCs and the public that the parties in class action litigation known as the “Franchise Tax Board LLC Tax Refund Cases” entered into a proposed settlement. This class action litigation challenged the constitutionality of California’s LLC fee for tax years 1994 through 2006 [see previously issued Multistate Tax Alert for more details on this class action litigation]. According to the FTB, this proposed settlement may impact those LLCs with income attributable to activities from outside California if valid claims for refund of the taxes unconstitutionally collected pursuant to former Cal. Rev. & Tax Code section 17942 were timely filed, and the LLCs have not yet received underlying full refunds (*i.e.*, “non-processed claims”). The proposed settlement reached aims to resolve the claims of such class members who file claims pursuant to FTB Notice 2022-02. Please contact us with any questions.

URL: <https://www.ftb.ca.gov/about-ftb/newsroom/news-releases/2022-14-filing-deadline-extended-for-class-action-settlement-claims.html>

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220513_1.html

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-ca-court-of-appeal-class-action-suit-seeking-total-refund-of-llc-fees-may-move-forward.pdf>

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