



TaxNewsFlash

United States



No. 2023-093
March 15, 2023

California: Guidance concerning unclaimed property voluntary compliance program

The California Controller's website was updated to provide [guidance](#) concerning the recently established unclaimed property voluntary compliance program (VCP), including details of the program and a form for interested holders to start the process of applying for participation in the VCP.

Background

Assembly Bill 2280 was signed into law in September 2022, to authorize the Controller to establish the VCP for businesses holding past due unclaimed property. Under the VCP, approved holders that fulfill all program requirements, including completing a training program and meeting reporting deadlines, will be eligible for waived interest on past-due unclaimed property. The enactment of legislation authorizing such a program was welcome news, as California had not held an unclaimed property amnesty for almost 20 years, and the state imposes interest on past due property at 12% per year. The establishment of the VCP was also particularly timely given that certain 2021 California income tax forms (e.g., Form 100, Form 100W, Form 565, Form 568) included new questions seeking information related to a company's California unclaimed property filings. Specifically, taxpayers were required to indicate on their income tax forms whether they previously filed an unclaimed property report with the State Controller's Office. Read [TaxNewsFlash](#)

Action steps

Companies interested in participating in the VCP should complete the VCP interest form, which is necessary to receive an application. The application must identify the individual(s) in the business that will attend the required training and will be responsible for submitting the reports. The application must also include an estimated value of the business' inactive properties and accounts. After reviewing applications and approving enrollment, the Controller's office will provide due dates for required deliverables that coincide with the standard unclaimed property reporting cycle. The dates below will be assigned to initial enrollees for the upcoming report year:

- July 30, 2023 – Required training completed
- September 30, 2023 – Due diligence completed

- Before November 1, 2023 – Notice Report submitted
- June 1-15, 2024 – Remit Report and remittance submitted

As a reminder, the Controller's office will not consider applications from holders that:

- Are currently undergoing a California unclaimed property examination or have been notified that such an examination will occur
- Are the subject of a civil or criminal prosecution involving unclaimed property compliance
- Have been notified by the Controller of an interest assessment within the past five years, and the assessment is unpaid

For more information, contact a KPMG State and Local Tax professional:

Will King | williamking@kpmg.com

Marion Acord | marionacord@kpmg.com

kpmg.com/socialmedia



The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 1037(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)