

# PRE-COMPLETED INCOME TAX RETURNS: EVIDENCE FROM THE CALIFORNIA READYRETURN PROGRAM\*

*Brian Erard, B. Erard & Associates*

## INTRODUCTION

TAXPAYERS SPEND SUBSTANTIAL TIME AND money each year gathering documents, reading instructions, hiring tax assistance, and preparing their tax returns. The overall cost in time and expenses for U.S. taxpayers to comply with their federal individual income tax requirements amounted to an estimated \$85 billion in tax year 2004, or 10.5 percent of federal individual income tax receipts (Slemrod, 2005). It has been suggested that some of these costs arise simply because government is not providing taxpayers with information it already has available to help them to complete their returns. For instance, Goolsbee (2006) estimates that the Internal Revenue Service (IRS) could save taxpayers with relatively simple tax circumstances an average of \$85 per household in compliance costs each year by providing them with tax returns that are pre-completed with the third party W-2 and Form 1099 information it receives.

Pre-completed (or pre-filled) tax returns either have been introduced or have been experimented with by a number of federal tax jurisdictions, including those in Australia, Belgium, Denmark, Finland, France, Norway, Spain, and Sweden. This paper examines the only state level pre-completed return program: the California ReadyReturn program.<sup>1</sup> The ReadyReturn program was first piloted in 2005 to a sample of approximately 52,000 California state income tax return filers who were deemed to have very simple returns. A full-fledged version of the program was rolled out in 2008 for filers of tax year 2007 returns. For that year, about 1 million taxpayers with relatively simple tax returns, representing 6.6 percent of the overall state return filing population, were eligible to participate. The program was expanded in the following year so that over 1.9 million taxpayers were now eligible to participate. The remainder of this paper describes the program and how it was implemented, performs a preliminary assessment of its impact during the pilot

years, and summarizes some of the key lessons learned.

## OVERVIEW OF THE PILOT YEARS

State income taxes in California are administered by the California Franchise Tax Board (CFTB). In an effort to reduce the filing burden of individual income taxpayers with relatively simple filing circumstances, the CFTB in 2005 began piloting a ReadyReturn program for the reporting of tax year 2004 state income taxes. Under this pilot, 51,850 taxpayers with very simple tax circumstances<sup>2</sup> were mailed an invitation to participate along with a pre-completed tax return from the CFTB that was based on the wage and tax withholding records provided to the state by their employers.<sup>3</sup> If the information provided on the return was correct and complete, participants could simply fill in their social security number, sign the return, and submit it either by mail or online. Otherwise, they could use the website to modify their return and submit it electronically.

Owing to the timing of receipts of W-2 data on employee earnings and withholding from the state Employment Development Department, the invitation letters were mailed in two waves: 19,205 were sent on February 16, 2005, and 32,645 on February 23, 2005. Follow-up letters were sent (on March 23, 2005 for the first wave and on April 4, 2005, for the second wave) to any recipients who did not yet have a tax year 2004 return on file.<sup>4</sup> Ultimately, 11,620 of the invitees elected to participate, representing a take-up rate of 22.4 percent.

Based on positive results from the tax year 2004 pilot program, the three member Franchise Tax Board voted unanimously on June 19, 2005 to fully implement ReadyReturn as a permanent program. However, on July 19, 2005, Assembly Bill 139 (CH. 74) limited funding for the ReadyReturn program and mandated that it remain a pilot for tax year 2005. For this second year of the pilot, the mailing of the invitation letters was delayed until March 15 to allow more time for the receipt of wage information from employers. This resulted in the receipt of an additional 14 million wage records, thereby increasing the size of the pool of

\*This paper is based on a study commissioned by the Fraser Institute (Erard, 2011).

eligible taxpayers. However, there was a tradeoff. Since most taxpayers receive their W-2 forms from employers in January, the delay in sending out invitations increased the likelihood that an otherwise eligible taxpayer already would have filed his/her return. Given the later date for the mailing of the invitation letters, no follow-up letters were sent. The take-up rate for processing year 2006 was 20.8 percent, which is slightly lower than the 22.4 percent rate for the prior pilot year.

### PILOT PROGRAM RESULTS

For each of the two pilot years, surveys were conducted of ReadyReturn participants who filed their returns online (online users), participants who mailed in their returns (mail users), invited non-participants, and a control group of eligible but uninvited taxpayers. Given the similarity of the results across years, the discussion of survey findings focuses on the results of the first pilot year.<sup>5</sup> We employ both administrative statistics and survey findings to summarize the characteristics of pilot program participants and non-participants. While the administrative statistics are likely to be quite accurate, it is important to recognize the potential for non-response bias in the survey results. With the exception of the survey of online users (38 percent response rate), the response rates were rather low (under 15 percent).

#### Profile of Eligible Taxpayers

A comparison of the control group sample of eligible but uninvited taxpayers to the general taxpayer population in tax year 2005 is revealing.<sup>6</sup> The median level of adjusted gross income for the control group (\$33,842) was only slightly lower than that of the overall population (\$34,128). This raises an important point; namely, that a simple return is not necessarily a low-income return. Although eligible taxpayers were similar to the overall population in terms of income, they differed markedly in other ways. In particular, relative to the general filing population, eligible taxpayers had a higher refund rate (73 percent vs. 65 percent) and a substantially lower electronic filing rate (41 percent vs. 60 percent).<sup>7</sup> The high electronic filing rate within the general population is partly the result of a California requirement for all tax practitioners who prepare more than 100 returns each year to file all returns electronically. Whereas about 65 percent of the general population has their return prepared

by a tax professional in a given tax year, only about 40 percent of taxpayers with very simple returns rely on professional assistance.<sup>8</sup>

Sixty percent of the control group respondents indicated they would be interested in using ReadyReturn after reviewing a brief description of the service. Although this appears to indicate a rather high level of program interest, this finding is tempered to some extent by the much lower actual participation rate of 22.4 percent among the invited group in that year.<sup>9</sup> Not all taxpayers and businesses feel that the government should be in the business of providing pre-completed tax returns to taxpayers. Although fifty percent of the control group respondents indicated that they were in favor of the government providing such a service, 38 percent stated that they had no opinion, and the remaining 12 percent were against it.

#### Profile of ReadyReturn Participants

Overall, the surveyed ReadyReturn participants overwhelmingly reported finding the pilot program easy to understand (online users: 97 percent; mail users: 99 percent) and more convenient than their prior year filing method (online users: 96 percent; mail users 95 percent). The vast majority reported that they were either very satisfied (online users: 75 percent; mail users: 76 percent) or satisfied (online users: 24 percent; mail users 22 percent) with the program and that they would use it again (online users: 99 percent; mail users: 98 percent). With regard to the prospect of using the ReadyReturn program in the future, actual evidence suggests a much lower repeat-usage rate than the survey responses indicate. In 2006 2,782 prior-year ReadyReturn participants were again invited to participate. Of these taxpayers, 55 percent participated during the second year. Administrative statistics indicate that, relative to invited non-participants, ReadyReturn participants in processing year 2006:

- had a higher median adjusted gross income (\$36,825 vs. \$33,198);
- were less likely to be due a refund (66 percent vs. 73 percent);
- were more likely to have a refund paid via direct deposit (28 percent of those due a refund vs. 25 percent); and
- were less likely to have filed electronically during the prior tax year (35 percent vs. 40 percent).

When asked for the main reasons they chose to participate, the responses broke down as follows:

- 85 percent of electronic and 70 percent of mail users: as a result of the invitation;
- 50 percent of electronic and 60 percent of mail users: easier than how filed last year;
- 60 percent of electronic and 62 percent of mail users: thought it would save time;
- 25 percent of electronic and 20 percent of mail users: thought it would save money;
- 38 percent of electronic and 20 percent of mail users: thought it would result in a faster refund; and
- 18 percent of electronic and 21 percent of mail users: because TeleFile was no longer available.<sup>10</sup>

Participants also were asked whether they felt that ReadyReturn kept their information secure. Although few participants responded “No”, roughly 25 percent of online users and 30 percent of mail users responded that they had “No Opinion”.<sup>11</sup>

Participants were able to make changes on the ReadyReturn website if the information provided on their ReadyReturn was not an accurate reflection of their tax circumstances. In practice, 96 percent of all tax year 2004 participants filed their returns as is without making any modifications, while three percent added income to their returns and one-half of one percent reduced the income on their returns.

#### Views of Non-Participants

The non-participant survey asked taxpayers for the main reason they did not participate. From their responses, it is clear that some taxpayers are more comfortable with other forms of assistance than with a pre-completed return, such as tax preparer services and non-governmental e-file providers, while others either lack computers or Internet access or have concerns over the security of web-based transactions. Also, twenty-two percent of the respondents reported that they had already filed a return prior to receiving their ReadyReturns. Under the current version of the program, all eligible taxpayers can request to participate, and they can access a ReadyReturn as soon as relevant third-party information has become available to the CFTB. However, even under this approach, some taxpayers (particularly those with refunds) may be unwilling to delay filing until the CFTB receives this information.

Even some of the non-participants found the ReadyReturns that they had received with their invitations useful: 20 percent reported using the pre-completed returns to double-check their figures; 10 percent gave them to their preparer/accountant; 5 percent used them to complete the return themselves; and 10 percent used them for other purposes.

#### PILOT PROGRAM IMPACT

To gauge the impact of the pilot program on taxpayer behavior, I have performed some statistical comparisons of outcomes for taxpayers who were invited to participate in the program with those in the control group. These estimates provide what is known in the statistical literature as a measure of the “average treatment effect” among the population of taxpayers eligible for the pilot program. In particular, they provide a measure of the average impact of the program on those taxpayers whom the tax agency would like to have participate (or, in statistical jargon, those the CFTB has an “intention to treat”). Such estimates of program impact reflect the fact that only a fraction of the taxpayers that the CFTB has an intention to treat actually take part in the program.<sup>12</sup>

My analysis focuses on the following indicators of taxpayer behavior: (1) electronic filing; (2) direct deposit of refunds; (3) fall-out rate; (4) correction notice rate; and (5) time to complete and file a return. The first four items are indicators of processing costs. For instance, paper returns are approximately three times as costly to process as electronic returns. In addition, refunds processed by mail are four to five times as costly as those processed through direct deposit (McDaniel, 2005). The fall-out rate represents the percentage of returns that “fall out” for manual processing. One of the reasons that returns fall out is a discrepancy between the information available to the CFTB and the information reported on the return. Since ReadyReturns rely on information available to the CFTB, one would expect their usage would lead to a reduced fall-out rate. Correction notices are sent to taxpayers when the CFTB makes changes to a return during processing. Since manual checking and making changes to returns is resource-intensive, the fall-out rate and correction notice rates have a positive association with processing costs. The last item is an indicator of taxpayer compliance burden.

Based on the results shown in table 1, it appears that the tax year 2005 ReadyReturn pilot program had a positive impact on the rate of electronic filing, but essentially no impact on direct deposit elections. Even with a program take-up rate of only 20.8 percent, electronic filing among eligible filers is estimated to have improved by about 2 percentage points as a result of the program. The fall-out rate among eligible filers is estimated to have decreased substantially (by 5.2 percentage points) as a result of the program, presumably reflecting the fact that most ReadyReturns were filed as is and therefore matched the information on file at the CFTB. However, the return correction rate is actually estimated to have increased by over 3 percentage points as a result of the program. In part, this may reflect the fact that some participants had already filed a return prior to submitting their

ReadyReturns. Administrative statistics indicate that 1.5 percent of participants submitted a duplicate return, compared to only 0.5 percent for the control group. Presumably a duplicate return would typically result in some form of correction notice. In terms of taxpayer burden, the ReadyReturn pilot program is estimated to reduce the average filing and preparation time by 7 minutes.<sup>13</sup>

The CFTB report on the ReadyReturn pilot program for processing year 2006 (CFTB, 2006b) also provides some evidence on the persistence in electronic filing behavior. Among the tax year 2004 ReadyReturn users, 2,782 taxpayers were randomly invited to participate again for tax year 2005, 2,770 met the criteria to participate in the second year but were not invited, and 5,971 no longer met the participation criteria. As illustrated in figure 1, each of these groups had shown a

*Table 1*  
**Estimated Average Program Effect on Eligible Population for Tax Year 2005\***

<i>Indicator</i>	<i>Invitees</i>	<i>Control</i>	<i>Average Treatment Effect (Invitees - Control)</i>
Electronic filing rate	43%	41%	2%**
Direct deposit rate	25.7%	26.0%	-0.30%
Fall-out rate	8.8%	14.0%	-5.2%**
Return correction rate	7.3%	4.0%	3.3%**
Time burden	38 minutes	45 minutes	-7 minutes***

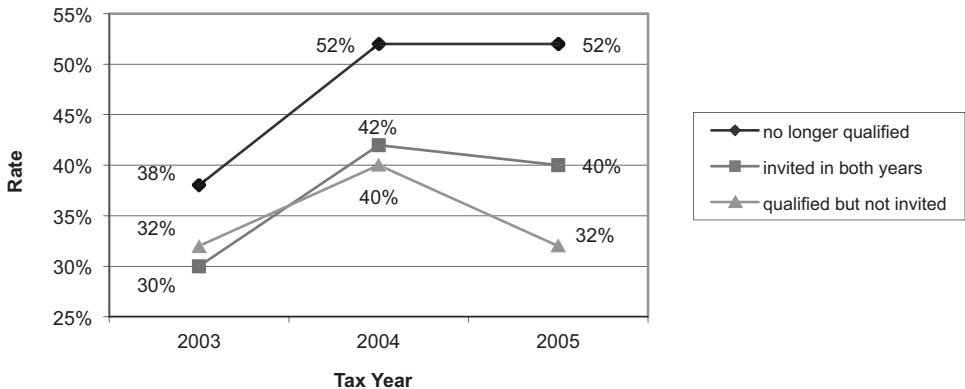
Source: Author’s calculations based on CFTB (2006b).

\*Time burden result is for tax year 2004.

\*\*Statistically significant at 5% level.

\*\*\*The necessary information is not available to assess statistical significance.

**Figure 1: Trends in Electronic Filing Rates**



Source: CFTB (2006b, p. 27).

substantial year-over-year increase in electronic filing behavior between tax year 2003 and the subsequent tax year when they used ReadyReturn. Furthermore, the group of taxpayers who no longer qualified as well as the group who were invited to participate for a second time largely maintained their increased electronic filing participation rate in tax year 2005. However, the group of taxpayers who were qualified to participate in tax year 2005 but were not invited reverted back to their lower tax year 2003 rate of electronic filing participation.

### THE FULL-FLEDGED PROGRAM

Subsequent to the two pilot years, the ReadyReturn program was put on hold for a tax year as political issues played out.<sup>14</sup> However, beginning in processing year 2008 (tax year 2007), a full-fledged version of the program was rolled out state-wide. For processing year 2008, the eligibility criteria were similar to those employed during the pilot years, requiring taxpayers to be single residents with income only from wages earned from one employer, no dependents, no itemized deductions, and no special credits. However, the program for this year was run on an “opt-in” basis. To participate, an eligible taxpayer could visit the ReadyReturn website to see if a pre-completed return was available. If so, the taxpayer could view the return, print it out, and, if desired, modify it and file it online. Alternatively, the taxpayer could request the ReadyReturn to be mailed by contacting the CFTB’s toll-free interactive voice response system. If a return was not yet available, for example because fourth-quarter wage information had not yet been received, taxpayers would need to check back at a later date. The opt-in approach was deemed to be more cost-effective than mailing ReadyReturns to all eligible taxpayers. There were also concerns that mass-mailings of paper ReadyReturns may have an adverse impact on electronic filing rates. Marketing of the program was limited and relied on relatively cost-effective means such as through tax booklets, the CFTB website, the Voluntary Income Tax Assistance program, other state public assistance programs, and the media.

For processing year 2008, the CFTB (2007b, p. 2) estimated that approximately 1 million taxpayers would be eligible for the program and that approximately 30,000 taxpayers would participate (three percent of eligible taxpayers). In September

2008, the CFTB (2008b, p. 1) reported an updated statistic suggesting that approximately 730,000 taxpayers were initially eligible to participate, and that 367,000 ReadyReturns were “readied”, meaning that the taxpayers had not already filed by the time fourth quarter employment data was received and had not been excluded because of having multiple employers. Ultimately, 11,253 tax year 2007 ReadyReturns were filed during processing year 2008, well short of the 30,000 projected.

The program was expanded in the following year to include taxpayers who reported head of household filing status, claimed up to five dependents, and/or claimed the Renter’s Credit. In addition, taxpayers could now participate even if they had been claimed as a dependent on someone else’s tax year 2007 return.<sup>15</sup> Preliminary statistics for the 2009 processing year indicate that 60,400 taxpayers filed a tax year 2008 ReadyReturn as of April 30, 2009. This represents a dramatic increase from the 11,253 ReadyReturns filed during the prior processing year. However, it is important to keep this figure in perspective. In particular, the ReadyReturn participants for that year represent only approximately three percent of all eligible taxpayers and only about one-half of one percent of all state personal income tax returns filed.

### PROGRAM COSTS AND BENEFITS

The CFTB (2007b, p. 6) reports that the cost of administering the ReadyReturn pilot amounted to \$222,000 for the first year and \$161,000 for the second. The administrative costs for the first three years of the full-fledged program are projected to be less than \$500,000 per year. Offsetting a portion of these costs are savings that are largely attributable to increased online filing by participants and fewer errors on their returns. On net, the projected costs are on the order of \$150,000 in tax years 2008 and 2009. The CFTB envisions that net costs should further decrease as the number of ReadyReturn users grows over time and the rate of online filing increases. These figures do not take into account the benefits to participants in terms of reduced compliance burdens. Overall, for every dollar in net administrative costs from running the ReadyReturn program there is likely to be many dollars in savings in time and tax preparation expenses for participants.

The ReadyReturn program is not expected to have much impact on overall tax compliance levels.

The taxpayers that qualify for the program tend to have very simple returns, and their income is typically subject to substantial third-party information reporting. Therefore the scope for non-compliance among such taxpayers tends to be limited.

### LESSONS LEARNED

Below is a listing of some of the main lessons learned from this program to date:

- Pre-completed tax return programs can be controversial, owing to differing views of the proper role of government with regard to tax preparation;
- At least as the California program is run, one should not expect a significant change in tax compliance behavior; rather, the likely benefits are reduced taxpayer burden among taxpayers with simple circumstances and certain improvements in processing efficiency;
- With the ReadyReturn program and other similar programs, it is reasonable to expect non-trivial net administrative costs at least for the first several years of implementation; however, such costs are likely to be more than offset by the benefits to participants in the form of a reduced compliance burden;
- With limited funding for advertising, one can expect only modest levels of program participation in the early years of the program, especially when taxpayers have to opt-in to participate by requesting a pre-filled return;
- At least in the U.S., program participation is hampered by the lag in receiving wage information from employers. In California, only 40 percent of fourth quarter wage data is available by February 15th, which is the early refund peak; by mid-March, 95 percent of the data is available (CFTB, 2008b, p.2);
- At least for taxpayers with very simple tax circumstances, a very high percentage of pre-completed returns are filed as is without any changes;
- The population of taxpayers with very simple tax circumstances includes low, middle, and high income earners;

- As with ordinary electronic filing programs, taxpayers need assurance that their private information is secure;
- It is important to have a sound plan for collecting and analyzing administrative and survey data to evaluate program performance and impacts.

### CONCLUDING REMARKS

Overall, it is unclear at this point whether ReadyReturn will serve as a niche program for a rather small and select group of taxpayers with simple tax circumstances or as a broader program that serves a reasonably substantial segment of the overall taxpayer population. Even in the latter case, however, the aggregate reduction in taxpayer compliance burden is expected to be fairly modest, because the program is not feasible for taxpayers with relatively complex tax circumstances, and such taxpayers experience the lion's share of the overall compliance burden. To illustrate this point, it is worth while to revisit Goolsbee's proposal for a federal pre-filled return program that was previously discussed in Section 1. Under this proposal, up to 52 million U.S. individual income tax filers (40 percent of the overall filing population in tax year 2003) would be eligible to participate in a federal filing program similar in design to the California ReadyReturn program. By Goolsbee's estimate, the average compliance burden among participants would be reduced by as much as 85 dollars. Under the optimistic assumption that all eligible filers would participate in the program this would translate into an aggregate burden reduction of \$4.4 billion based on statistics from tax year 2003. Applying Slemrod's (2005) estimate that the average compliance burden within the taxpayer population amounts to 10.5 percent of income tax receipts, the overall U.S. federal individual income tax compliance burden in that tax year was approximately \$83 billion.<sup>16</sup> Therefore, even with 100 percent participation in a proposed pre-filled return program that would be extended to 40 percent of the general filing population, the overall compliance burden could be expected to decrease by a maximum of 5.3 percent (\$4.4 billion divided by \$83 billion). So, clearly a pre-filled return program falls well short of being a panacea for an enormously complex and burdensome income tax regime. Nevertheless, it does have the potential to provide a meaningful burden reduction at a very modest administrative

cost to a substantial number of taxpayers, many of whom have low to moderate levels of income. From this standpoint, such a program represents an attractive option.

### Acknowledgements

I thank Sean McDaniel of the California Franchise Board for his generous assistance in providing me with information relating the ReadyReturn Program; François Vaillancourt, Niels Veldhuis, Arlene Holen, and the NTA conference participants for helpful comments; and the Fraser Institute for financial assistance. Unless specifically stated otherwise, any opinions expressed in this paper are those of the author and should not be attributed to the California Franchise Tax Board, the Fraser Institute, or any other individual or organization.

### Notes

- <sup>1</sup> In Canada, the Province of Quebec piloted a pre-completed return program in 2008, but it ultimately decided not to implement a full-fledged province-wide program.
- <sup>2</sup> Eligibility for the pilot was restricted to single, non-itemizing, resident state taxpayers with no dependents and income solely from wages from one employer (only one W-2 form) based on their 2003 tax return and W-2 records.
- <sup>3</sup> The invitation letter was printed in English on one side and Spanish on the reverse. Slightly different versions of the letter were mailed to recipients who appeared to be due a refund and recipients who appeared to have a balance due. Participants who filed electronically received a declaration control number that they were instructed to retain for their records along with a copy of the return, supporting documentation, and a signed electronic return authorization form (form CFTB 8453-OL). Samples of the letter and ReadyReturn are available on the CFTB website at [http://www.ftb.ca.gov/readyReturn/comments\\_05.shtml](http://www.ftb.ca.gov/readyReturn/comments_05.shtml).
- <sup>4</sup> California individual income tax returns are normally due by April 15, although taxpayers automatically qualify for an extension until October 15.
- <sup>5</sup> The survey instruments are available on the CFTB website at: <http://www.ftb.ca.gov/readyReturn/Surveys.pdf>.
- <sup>6</sup> The administrative statistics are based on taxpayers who had filed a return as of July 21, 2006.
- <sup>7</sup> The median AGI figure for the general population was taken from CFTB (2009), while the refund rate for the general taxpayer population is taken from CFTB (2008a, p. 29).
- <sup>8</sup> The source of the 65 percent figure is CFTB (2007), while the source of the 40 percent figure is CFTB (2006b, p. 18).
- <sup>9</sup> Nonetheless, one should keep in mind that this was a new program that was supported by little, if any, advertising. Over time, one would expect participation to improve as familiarity with the program grows.
- <sup>10</sup> Under the TeleFile program, taxpayers who qualified to file an "EZ" return for resident single and joint filers with no dependents could call a special CFTB phone number 24 hours a day during the filing season enter their tax return information over a touch tone phone. This service was discontinued in October 2004.
- <sup>11</sup> Presumably, participants would be the ones most likely to respond affirmatively to such a question as they actually chose to use the service. Therefore, it seems reasonable to expect that these figures overstate the comfort level within the overall eligible population to some extent.
- <sup>12</sup> It should be noted that this analysis is applicable to the program eligibility rules and procedures in place during the pilot program. Appropriate caution should be taken when attempting to extrapolate from these results to the current full-fledged program which relies on broader eligibility rules and an opt-in participation process or to some other notional or actual pre-completed return program.
- <sup>13</sup> In contrast to the other indicators, which are based on administrative statistics for the relevant populations, the time burden measure is based on survey responses. Therefore, one should keep in mind the potential for non-response bias when evaluating this result.
- <sup>14</sup> The CFTB faced a divided public in implementing the ReadyReturn program. Proponents viewed it as means of helping to achieve the tax administration's duty to reduce taxpayer burden and efficiently process returns. Opponents, on the other hand, viewed it as an unwelcome government intrusion into the tax preparation business. An extended battle was waged in the California legislature over the future of the program. Amid the pressure of a heated lobbying campaign against the program that was heavily funded by a major manufacturer of tax preparation software, among others, two separate bills attempting to make the ReadyReturn program permanent failed to make it through the legislature. Ultimately, the CFTB found a way to implement the program without explicit legislative consent. After securing a legal opinion that the program fell within the Board's authority to determine the method and manner of tax filing in the state, the Board voted unanimously on December 4, 2006, to institute a full-fledged version of the ReadyReturn program beginning in tax year 2007 and to fund it entirely from the existing CFTB budget.
- <sup>15</sup> However, an income limitation was implemented, so that single taxpayers with total income exceeding \$163,186 and heads of household with total income exceeding \$244,784 were not eligible to participate.

<sup>16</sup> This figure is based on an estimated \$794 billion in federal individual income tax receipts for fiscal year 2003 (Council of Economic Advisors, 2003, p. 33).

**References**

California Franchise Tax Board.  
 ReadyReturn Pilot Tax Year 2004 Study Results, April 2006. <http://www.ftb.ca.gov/readyReturn/TY04RRFinalReport.pdf>.  
 ReadyReturn Pilot Preliminary Studies for Tax Year 2005, September 2006. <http://www.ftb.ca.gov/law/meetings/attachments/092006/2.pdf>  
 What is FTB Doing About Questionable Preparers? CFTB Tax News for Tax Professionals, 2007. [http://www.ftb.ca.gov/professionals/taxnews/2007/0507/0507\\_2.shtml](http://www.ftb.ca.gov/professionals/taxnews/2007/0507/0507_2.shtml)  
 ReadyReturn Service -- Frequently Asked Questions, August 2007. <http://www.ftb.ca.gov/readyReturn/readyreturn.971.pdf>  
 2006 Annual Report, February 2008. <http://www.ftb.ca.gov/aboutftb/annrpt/2006/2006ar.pdf>  
*Fact Sheet: ReadyReturn*. California: Communications Service Bureau, California Franchise Tax Board, September 2008.

Adjusted Gross Income Tables: County Summary: 2005 Tax Year, 2009. [http://www.ftb.ca.gov/aboutFTB/Tax\\_Statistics/Reports/Personal\\_Income\\_Tax/AGIC\\_Tables/2005/XLS/2006\\_County\\_Summary.xls](http://www.ftb.ca.gov/aboutFTB/Tax_Statistics/Reports/Personal_Income_Tax/AGIC_Tables/2005/XLS/2006_County_Summary.xls)  
 Council of Economic Advisors. Economic Indicators. Washington, D.C., December 2003.  
 Erard, Brian. California. Forthcoming in François Vailancourt, ed. *Prefilled Personal Income Tax Returns: A Comparative Analysis of Australia, Belgium, California, Québec, and Spain*. Vancouver, Canada: Fraser Institute, 2011.  
 Goolsbee, Austan. The ‘Simple Return’: Reducing America’s Tax Burden Through Return-Free Filing. The Hamilton Project Discussion Paper 2006-04. Washington, D.C.: Brookings Institution Press, July 2006.  
 McDaniel, Sean. CA FTB e-Programs Now and in the Future. PowerPoint Presentation at Federation of Tax Administrators E-File Symposium. Atlanta, GA, May 18, 2005.  
 Slemrod, Joel. The Costs of Complexity. Presentation to the President’s Advisory Panel on Federal Tax Reform. Washington, D.C., March 3, 2005.