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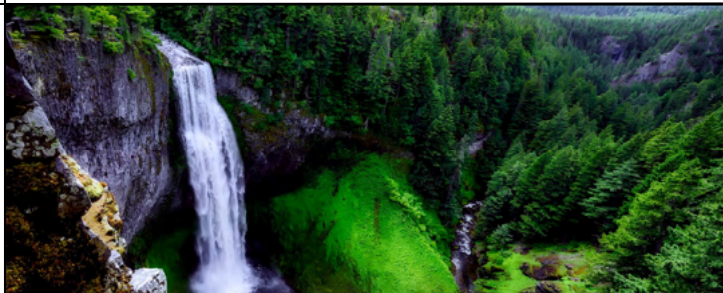
MAY ISSUE

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Tax Relief for Californians Impacted by Storms: Part 1

What is the Penalty for an Inaccurate Trust Accounting?

SACRAMENTO – Californians impacted by winter storms are now eligible to claim a deduction for a disaster loss and will have more time to file their taxes.

“Whether it’s more time to file your taxes or getting a deduction, this tax relief will support Californians who have been impacted by the ongoing storms battering the state,” said Governor Newsom. “California is working swiftly to get people back on their feet and help communities recover.”

Disaster Areas:

Residents and businesses in Alameda; Colusa; Contra Costa; El Dorado; Fresno; Glenn; Humboldt; Kings; Lake; Los Angeles; Madera; Marin; Mariposa; Mendocino; Merced; Mono; Monterey; Napa; Orange; Placer; Riverside; Sacramento; San Benito; San Bernardino; San Diego; San Francisco; San Joaquin; San Luis Obispo; San Mateo; Santa Barbara; Santa Clara; Santa Cruz; Solano; Sonoma; Stanislaus; Sutter; Tehama; Tulare; Ventura; Yolo; and Yuba counties who have been affected by severe

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Trust accounting in California is an essential form of transparency and, ultimately, protection for beneficiaries. Legally, trustees must provide beneficiaries with this financial statement that illustrates how they are administering the trust at least once annually. But simply preparing an accounting is not enough. Trust accountings must be accurate and comply with the probate code, requiring the expertise of a trust accountant.

At Marcia L. Campbell, CPA, we have provided trust accounting throughout California for years. With our help, you will not have to worry about inaccuracies or non-compliance. The penalty for inaccurate accounting can vary. Read our blog to find out more.

What is the Penalty for Inaccurate Trust Accounting?

There can be penalties for inaccurate trust accounting in California, but this penalty depends on several factors and varies from situation to situation.

One of the most common situations is when a trustee makes a mistake in the accounting. In these situations, beneficiaries can challenge the accounting and request you to prepare a new one. Beneficiaries may challenge an accounting for reasons such as:

An incomplete, inaccurate, false, or fraudulent accounting; the mismanagement of trust assets; the waste of trust assets; the theft of trust assets; failure to fully account for trust assets; and failure to make trust assets productive.

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What Our Clients Say About Us

“Marcia has been doing our taxes for years and we have always been extremely pleased. We will remain her clients until the very end.”

— JS

Tax Relief for Californians Impacted by Storms: Part 1.....
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winter storms, flooding and mudslides are eligible for tax relief.

Claiming Disaster Losses

Taxpayers affected by a presidentially declared disaster may claim a deduction for a disaster loss. Taxpayers may claim a disaster loss when filing either an original or amended 2022 tax return.

When filing their return, taxpayers should write the name of the disaster in blue or black ink at the top of their tax return to alert FTB. If filing electronically, taxpayers should follow the software instructions to enter disaster information. If a taxpayer receives a late filing or payment penalty notice related to the postponement period, they should call the number on the notice to have the penalty abated.

Additional information and instructions are available in FTB Publication 1034, 2022 Disaster Loss: How to Claim a State Tax Deduction.

Disaster victims can receive free copies of their state returns to replace those lost or damaged. To do so, they should use form FTB 3516 and write the name of the disaster in blue or black ink at the top of the request.

For a complete list of all disasters declared in California, see the chart on FTB’s disaster loss webpage.

Part 2 to follow in our next issue.

Source: <https://www.gov.ca.gov/2023/01/13tax-relief-for-californians-impacted-by-storms/>

Please contact our office for more information.†

What is the Penalty for an Inaccurate Trust Accounting?.....
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“In most cases, issues with an accounting are more the result of a lack of good recordkeeping than they are malicious intent. In these situations, the errors are usually small and easy to remedy without court intervention. But this is not always the case.” – Marcia L. Campbell, expert trust accountant with years of experience preparing court-approved and accurate accountings.

In other situations, the potential penalty can be more severe. An inaccurate accounting can be considered a breach of their fiduciary duty. The penalty for breaching this duty can result in legal repercussions, surcharges, and even removing a trustee from his or her position.

Trustees can resolve most issues with accuracy by providing more information and explaining the mistake. If inaccuracies signal a breach of duty, these cases can go to trial, require costly litigation, and result in more severe repercussions.

CPA Trust Accounting in California


Trust accounting is a financially complicated task with significant implications for a trust, its beneficiaries, and the trustee. When a trustee prepares an accounting, the margin for error is slim, and inaccuracies can have severe repercussions. Only an expert trust accountant has the skills and experience to ensure accuracy and compliance.

Fortunately, at Marcia L. Campbell CPA, we provide specialty trust accounting services that cater to each client’s unique circumstances and ease this burden. Visit our website and schedule a consultation so you never have to worry about trust accounting accuracy again.

Source: <https://mcampbellcpa.com/penalty-for-inaccurate-trust-accounting/>

Please contact our office for more information.†



 You can e-mail us at Allison@MCampbellCPA.com to receive your newsletter by e-mail!