



# This Week in State Tax (TWIST)

November 17, 2025



## California: State sends letters to encourage participation in unclaimed property VDA program

The Office of the California State Controller has launched an initiative to encourage businesses to comply with state unclaimed property laws by participating in its Voluntary Compliance Program (VCP). Starting in mid-November, the Controller will send notices to about 4,000 businesses identified as major potential holders of unclaimed property to encourage participation in the program. Outreach is planned to continue through 2026, and the Controller may use responses from unclaimed property questions on state income tax returns to identify businesses for the program.

[Established](#) by legislation in 2022, the VCP offers a significant benefit to holders using it: a complete waiver of the 12 percent annual interest typically imposed on past-due unclaimed property. To receive this waiver, holders must complete mandatory training and meet all reporting deadlines. To be eligible, a business cannot be under an unclaimed property audit or investigation. Additionally, businesses that have had interest assessed or waived within the last five years are generally not eligible. However, exceptions may apply for liabilities arising from mergers or acquisitions. The VCP is open to holders of past due unclaimed property, even if they do not receive a letter from the Controller.

For questions or assistance with the California VCP, please contact a member of KPMG's Unclaimed Property practice, including [Will King](#), [Marion Acord](#), [Jamie Aquino](#), [Ryan Hagerty](#), [Quin Moore](#), [Keela Ross](#), and [Karen Anderson](#).

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