



*California State Board of Equalization,
Legislative Division*

LEGISLATIVE BULLETIN

**SPECIAL TAXES LEGISLATION
2002**

SPECIAL TAXES LEGISLATION
TABLE OF CONTENTS

CHAPTERED LEGISLATION ANALYSES	PAGE
<u>Assembly Bill 1458 (Kelley) Chapter 152</u> <i>Offers in Compromise and Disaster Relief</i>	1
<u>Assembly Bill 1752 (Migden) Chapter 156</u> <i>Disclosure and Posting of Board Hearing Information</i>	5
<u>Assembly Bill 1936 (Horton) Chapter 459</u> <i>Special Taxes Electronic Returns</i>	8
<u>Assembly Bill 2205 (Koretz) Chapter 687</u> <i>Sales of Untaxed Cigarettes Prevention Task Force</i>	10
<u>Assembly Bill 3000 (Committee on Budget) Chapter 1124</u> <i>Budget Trailer Bill</i> <i>"Stamps and Meter Impressions" Definition</i> <i>Energy Resources Surcharge Cap Increase</i>	14
<u>Assembly Bill 3009 (Committee on Budget) Chapter 1033</u> <i>Budget Trailer Bill</i> <i>Energy Resources Surcharge Cap Increase</i>	17
<u>Senate Bill 849 (Torlakson) Chapter 514</u> <i>Oil Spill Fee Cap Increase</i>	19
<u>Senate Bill 1701 (Peace) Chapter 881</u> <i>Alternative Cigarette Tax Stamps</i>	21
<u>Senate Bill 1766 (Ortiz) Chapter 686</u> <i>Face-to-Face Sales of Cigarettes</i>	24
TABLE OF SECTIONS AFFECTED	28

Assembly Bill 1458 (Kelley) Chapter 152
Offers in Compromise and Disaster Relief

Effective January 1, 2003. Adds Sections 7093.6, 9278, 50156.18, and 55046.5 to the Revenue and Taxation Code.

BILL SUMMARY

This bill contains Board of Equalization-sponsored provisions that accomplish, specifically with respect to Special Taxes, the following:

- Provides the Board with the administrative authority to compromise a tax or fee debt under the Use Fuel and Underground Storage Tank Maintenance Fee Laws.
- Allows the Board to grant relief from interest under the Fee Collection Procedures Law if the Board finds a person's failure to make a timely return or payment was due to a disaster.

Sponsor: Board of Equalization

Offers in Compromise

Sections 9278 and 50156.18

LAW PRIOR TO AMENDMENT

Under existing administrative procedures, when a tax or fee liability is not paid by a taxpayer or feepayer when due, the Board will bill the tax or feepayer, negotiate for payments, search for the tax or feepayer's assets, and take collection actions to use the assets to satisfy the tax or fee debt. Collection actions may include manually searching records for assets, making telephone calls, or seizing and selling vehicles, vessels, or stocks. In the event of a hardship, existing law allows installment payment arrangements, or collection may be deferred until the financial situation of the tax or fee debtor improves. However, if tax or feepayers can obtain loans or can use credit lines to pay their tax or fee debts, they are expected to do so.

If a debt remains unpaid for a number of years, and a lien has been filed and assets cannot be located, the Board may write off the debt under the Government Code (discharge from accountability). When a debt is written off, the debt is still due and owing and any liens recorded are still valid, but routine billing and collection actions are discontinued unless assets are subsequently located. There is no statute of limitations on the Board's collection of a tax or fee debt, and interest and applicable penalties continue to accrue. The debt also remains on the tax or feepayer's credit record, impeding his or her ability to obtain credit.

Under existing law, the Board does not have the statutory authority to compromise a tax or fee debt, and instead must bring a civil action against the tax or fee debtor. Such an action requires the assistance of the Attorney General (AG). In general, an

offer in compromise is a process whereby the tax or feepayer offers to pay an amount that he or she believes to be the maximum amount that can be paid within a reasonable period of time. If the parties agree to the amount offered, the debt is compromised (reduced) to that amount. Currently, taxes and fees administered by the Board may be compromised only where there is doubt as to the collectibility, and through the AG's statutory authority to obtain a judgment against the tax or feepayer to collect the amount due. After the offer is reviewed for completeness and reasonableness, the Board collects the amount offered and the review process commences, with final approval by the Chief Counsel. A stipulated judgment is obtained followed by the filing of a satisfaction of the judgment when all terms of the agreement have been met. The court documents, which include a stipulation setting forth the terms of the compromise, are a matter of public record. In the offer in compromise process, the Board generally follows the Franchise Tax Board's (FTB) procedures and Employment Development Division's (EDD) law with respect to:

- the terms of the offer
- the process leading up to the acceptance of the offer, including high levels of review; and
- the refunding of rejected offers without interest, at the tax or feepayer's discretion.

AMENDMENT

This bill provides the Board with the administrative authority to compromise a tax or fee debt under the Use Fuel and Underground Storage Tank Maintenance Fee Laws, comparable to the authority provided the FTB. For the smaller compromises (reductions in tax or fees of \$7,500 or less), the bill allows the Executive Director and Chief Counsel, jointly, to compromise the debt or delegate the authority to others within the Board. For those cases in which the reduction in tax or fee exceeds \$7,500, this bill provides that the Board, itself, has the authority to compromise the debt upon recommendation by staff. However, for those cases in which the reduction in tax or fee exceeds \$7,500, but is less than \$10,000, this bill provides that the Board, by resolution, could delegate to the Executive Director and Chief Counsel, jointly, its authority to compromise the debt. The bill provides that a public record will be placed on file, comparable to those required by laws governing EDD and FTB offers in compromise, as well as the Board's settlement procedures. The record includes a summary statement as to why the compromise would be in the best interests of the state.

COMMENTS

The FTB and EDD have the authority to administratively compromise final tax debts that are due and payable, and the processes and procedures generally are similar. However, the oversight/review provisions differ. For EDD, the criteria for a compromise and its procedures and processes are codified, and for the FTB, the codified authority is general in nature.

The benefits of this bill include:

- The existing stipulated judgment process affords the state nothing that cannot be achieved administratively through this bill. The stipulated judgment proceeding is cursory in nature, without the formality of a full judicial proceeding, and information now available to the public through the court proceedings would be on file with the Board, available to the public. This bill would remove an unnecessary (though relatively small) workload from the court system. In addition, in cases of little overall benefit to the state (compromises of \$7,500 and under) but costly for the staff to conduct court-related activities, the process would be significantly more efficient. Additionally, because this bill would remove a non-tax or non-fee related obstacle (the court and state's costs relating to the civil action) from the offer in compromise process, it should enhance the relationship between the public and the Board. This bill makes sense from the perspective of the tax and feepayers and the state.
- Under current procedures, going through the court delays the process by many months and requires a time-consuming process for AG staff to prepare and file the pleadings and meet the court's calendar.
- This bill would streamline and expedite the offer in compromise process, which benefits the state and the tax and feepayer. Under this bill, tax or fee debtors who are the most needy can become taxpayers and feepayers, with the stigma of the debt removed. Currently, when the Board discharges these very small cases, the lien remains on record and these tax and feepayers still have the worry about a Board lien affecting their credit record and a potential collection action.
- Because under the current process the debt is reduced to a judgment, it is unclear whether the Board could administratively assess/reinstate the total unpaid amount or take collection actions in the case of misrepresentation of assets or income. If the Board were required to litigate the reinstatement of the assessment and collection thereof, enforcement generally would not be cost-effective. Therefore, there is no effective consequence for noncompliance.
- By eliminating the court proceeding, the offer in compromise process would be expedited. Greater efficiency in resolving these collection cases would be realized.
- Eliminating the court proceeding would also increase the number of tax and feepayers that could be considered under the current offer in compromise program. Tax and feepayers whose liabilities have been discharged in

bankruptcy or whose liens have expired are precluded from using the current process because the Board is not able to obtain a stipulated judgment.

- Historically, compliance is maximized by effective enforcement of the law. If the tax or feepayer defaults on the terms of the compromise agreement or misrepresents his or her assets or income, this bill would provide that the Board could reinstate the entire unpaid amount, which is comparable to the FTB, EDD and Internal Revenue Service (IRS) authorities. In addition, if the facts warrant, this bill would provide for criminal penalties, which would be in conformity with the IRS and settlement sanctions.

Interest Relief

Section 55046.5

LAW PRIOR TO AMENDMENT

Under existing Sales and Use Tax Law, Section 6593 provides that a person may be relieved of interest, as specified, if the Board finds the person's failure to make a timely return or payment was due to a disaster. With the exception of the Fee Collection Procedures Law, these provisions are also contained in all other tax and fee programs administered by the Board. The lack of this authority in current law appears to be due only to an oversight in the drafting of the original, enabling legislation.

The Fee Collection Procedures Law contains provisions for the administration and collection of various fee programs administered by the Board. These provisions were added to the Revenue and Taxation Code so that newly established fee and tax programs could simply reference this law for their administration and collection authority, consistent with other Board-administered taxes and fees. Currently, the California Tire Fee, Natural Gas Surcharge, and Ballast Water Fee are administered and collected by the Board in accordance with the Fee Collection Procedures Law.

AMENDMENT

This bill simply adds conforming relief of interest provisions to the Fee Collection Procedures Law to provide a person relief of interest, as specified, if the Board finds that a person's failure to make a timely return or payment was due to a disaster, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect.

COMMENT

This proposal would provide consistency among all the Board-administered tax and fee programs.

Assembly Bill 1752 (Migden) Chapter 156
Disclosure and Posting of Board Hearing Information

Effective January 1, 2003. Amends Section 11125.1 of the Government Code.

BILL SUMMARY

This bill requires the Board of Equalization to distribute public writings, except those involving a named tax or fee payer, that pertain to a topic under consideration at a public meeting to all persons who request copies, as well as post that information on the Internet, and make the writings available for public inspection at the meeting, prior to the Board taking final action on that item.

Sponsor: Assembly Member Migden

LAW PRIOR TO AMENDMENT

Under current law, the Bagley-Keene Open Meeting Act (commencing with Government Code Section 11120) requires that meetings of state bodies be conducted openly, and that public writings pertaining to a matter subject to discussion or consideration at a public meeting be made available for public inspection. All disclosable public writings that are distributed to Board Members prior to Board meetings are made available upon request, but are not mailed to all persons who have requested notice of the hearing in writing and not all are currently placed on the Internet.

Section 11125.1 of the Government Code requires the Franchise Tax Board, prior to taking final action on any item, to 1) make available for public inspection, 2) distribute to all persons who request notice in writing, and 3) make available on the Internet, all items that are public records and distributed to its members by Franchise Tax Board staff or individual members prior to or during a meeting.

AMENDMENT

This bill amends Government Code Section 11125.1 to require that prior to the Board taking final actions on any item that does not involve named tax or fee payers, writings pertaining to that item that are public records prepared and distributed by Board staff or individual members to Board Members prior to or during a meeting, be:

- Made available for public inspection at that meeting.
- Distributed to all persons who request or have requested copies of these writings.
- Made available on the Internet.

This bill also makes conforming changes to the current information posting requirements placed on the Franchise Tax Board.

BACKGROUND

Section 11125.1 was amended last year by Senate Bill 445 (Ch. 670, 2000, Burton) to specifically require the Franchise Tax Board to distribute certain written public records prior to or during a Franchise Tax Board meeting. The Board of Equalization had also been included in the provisions of the bill until the Board staff gave assurances to Senator Burton's office that the information needed would be made available without the costly requirement of posting a lot of extraneous information on the Internet. Since the passage of SB 445, the Board has made the following changes to its web site:

- Added more information on the Public Agenda Notice, including links to the different Committee pages.
- Added coordinated links between regulations under Board consideration and the associated issues paper prepared by Board staff, accessible through the Committee meeting icon.
- Added the names of cases to be heard.
- Added rulemaking information, including type of action (e.g. 15-day file) and regulation titles. The site includes a link to each regulation.
- Added a list by case name of non-appearance items, including the reference number used by the Board Members in order for the audience to more easily follow along with Board Member discussions.
- Added an email link and a telephone number to allow interested parties to request additional information and receive it either electronically, by fax, or by mail.
- Added a new icon on the Board Internet home page to aid in finding hearing information.

COMMENTS

1. **Purpose.** This bill is intended to ensure that the Board of Equalization handles public writings that pertain to matters that are subject to discussion or consideration at a public meeting in the same manner as the Franchise Tax Board, as required by SB 445 of last year.
2. **Amendments addressed the major concerns of the Board.** The analysis of the January 7, 2002 version of the bill raised the Board's concerns about making available on the Internet the briefs prepared for Franchise Tax Board cases heard by the Members of the Board of Equalization, which are disclosable public records. These briefs may contain detailed and often very personal information about taxpayers, including their social security number, credit card bills, expense reports and all sorts of other information that they submit as evidence to support their tax appeal. The **April 9, 2002 amendments** excluded any information that involves a named tax or fee payer and therefore removed the requirement that this information be made available at the hearings, automatically distributed to requesting parties, or posted on the Internet.

The amendments also limited the information to be made available, distributed, and posted on the Internet to writings prepared by Board staff or individual members. The bill no longer requires that the Board be responsible for information submitted by outside parties.

3. **The Open Meeting Act currently requires that *disclosable public records* be made available upon request.** However, many documents that are distributed to Board Members prior to Board meetings are exempt from public disclosure because they contain confidential taxpayer information or are protected by the attorney-client privilege. While this bill would provide another avenue in which to obtain records, it would not require that additional information, such as documents that are currently *not disclosable*, be distributed as specified and placed on the Internet.
4. **This bill would require public information to be posted on the Internet.** The information would include budget change proposals and baseline budget numbers which is currently approved by the Board prior to advancing to the Department of Finance and Legislative Budget Committees, as well as certain contract information. This information is currently available to the public upon request. Requiring the information to be posted on the Internet should not be problematic to administer.

Assembly Bill 1936 (Horton) Chapter 459
Special Taxes Electronic Returns

Effective January 1, 2003. Amends Sections 7403.2, 7651, 7652.5, 7652.7, 8752, 30181, 30182, 30183, 30186, 30187, 30188, 32251, 40061, 40063, 41052, 43151, 43152.6, 43152.7, 43152.9, 43152.13, 43152.14, 45151, 46151, 50109, 60107, 60201, 60202, 60204, 60205, and 60205.5 of, and adds Sections 8763, 30193, 32263, 40069, 41063, 43173, 45163, 46163, 50112.10, 55040, and 60505.5 to the Revenue and Taxation Code

BILL SUMMARY

Authorizes the Board to accept Special Taxes program returns by electronic media and prescribes the method of authenticating a return, and clarifies information to be reported under the Diesel Fuel Tax Law.

Sponsor: Board of Equalization

LAW PRIOR TO AMENDMENTS

Under current Sales and Use Tax Law, the Board is authorized to accept sales and use tax returns by electronic media. Current law also requires that any return filed with the Board be authenticated in a manner prescribed by the Board.

Under existing Diesel Fuel Tax Law, Section 60204 requires each terminal operator to file with the Board a copy of any return required to be filed with the Internal Revenue Service (IRS) pursuant to Section 48.4101-4T of Title 26 of the Code of Federal Regulations. That return must be filed with the Board no later than 10 days after filing the IRS return.

AMENDMENTS

Authorizes the Board to accept Special Taxes program returns by electronic media and prescribes the method of authenticating a return.

This bill also amends Section 60204 of the Diesel Fuel Tax Law to specify the information the terminal operator is required to file with the state, allow the state to accept the report filed with the Internal Revenue Service if the terminal operator gives consent, and correct the reference to the Code of Federal Regulations.

This bill also adds Section 60505.5 to the Diesel Fuel Tax Law to provide that claim for refund forms may include, but not be limited to, electronic media. The claim for refund forms are to be authenticated in a form or pursuant to methods as may be prescribed by the Board.

IN GENERAL

With the proliferation of computers, local area networks, and electronic mail, this bill provides the Special Taxes Department with the opportunity to be responsive to

these changing technologies. Many states have implemented forms of electronic transmission of returns, and both the Internal Revenue Service and the Franchise Tax Board are currently accepting returns through the use of electronic media. Recently the Board has received requests from the petroleum and trucking industries to allow them to file their returns electronically.

There are many benefits to allowing taxpayers to file electronically. For example, as more and more taxpayers take advantage of the opportunity to file electronically, processing costs in the mailroom, the cashiering unit, the data entry group, and the file area could potentially be reduced. It could also reduce data entry errors and possibly provide for more accurate tax returns. In addition, over time, electronic filing could reduce the physical space needed for housing documents in expensive office space. Instead, returns and other documents could be stored on electronic media, such as magnetic tape or disks, in less expensive off-site locations. Electronic filing could also provide accessible, up-to-date return information in a more timely manner through its automatic entry of information into the computer system.

COMMENTS

1. **Purpose.** The purpose of this measure is to increase tax and fee payer convenience and choice in the method of filing returns and reports. This measure is also intended to streamline operations and reduce costs for processing tax return information.
2. **This bill would adopt provisions similar to the Sales and Use Tax Law for the following Special Taxes programs:** Motor Vehicle Fuel Tax Law, Use Fuel Tax Law, Cigarette and Tobacco Products Tax Law, Alcoholic Beverage Tax Law, Energy Resources Surcharge Law, Emergency Telephone Users Surcharge Law, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Oil Spill Response, Prevention, and Administration Fees Law, Underground Storage Tank Maintenance Fee Law, Fee Collection Procedures Law, and Diesel Fuel Tax Law.
3. **This measure would address requirements under the existing Diesel Fuel Tax Law whereby a terminal operator is required to file with the Board a copy of any return filed with the Internal Revenue Service.** That return must be filed with the Board within 10 days after filing with the Internal Revenue Service. In addition, the new Internal Revenue Service's ExSTARS system will require a terminal operator to file an electronic return at a secure web site and will provide the return to the state if the terminal operator signs a consent form.

Assembly Bill 2205 (Koretz) Chapter 687
Sales of Untaxed Cigarettes Prevention Task Force

Effective January 1, 2003. Adds and repeals Section 30474.5 of the Revenue and Taxation Code.

BILL SUMMARY

Among other things, this bill imposes an additional penalty for knowingly possessing, selling, or offering for sale unstamped cigarettes in an amount equal to one hundred dollars (\$100) per carton of 200 cigarettes. The revenue from the additional penalty will be deposited into the Unlawful Sales Reduction Fund, which this bill creates.

Sponsor: Los Angeles City Attorney

LAW PRIOR TO AMENDMENT

Section 30474 of the Revenue and Taxation Code provides that any person who knowingly possesses, keeps, stores, or retains for the purpose of sale, or sells or offers to sell, any unstamped package of cigarettes is guilty of a misdemeanor punishable by a fine of not more than one-thousand dollars (\$1,000), imprisonment for not more than one year in a county jail, or both. The guilty person must also pay one hundred dollars (\$100) for each carton of 200 cigarettes possessed, sold or offered for sale, as determined by the court. The court must direct that 50 percent of the penalty assessed be transmitted to the local prosecuting jurisdiction, to be allocated for costs of prosecution, and 50 percent of the penalty assessed be transmitted to the State Board of Equalization (Board).

AMENDMENT

This bill, for the period beginning on January 1, 2003, and ending on January 1, 2006, imposes an additional penalty for possessing, selling or offering to sell unstamped cigarettes in an amount of one hundred dollars (\$100) for each carton of 200 cigarettes, as determined by the court. The court will direct the additional penalty assessed to be transmitted to the Controller for deposit in the Unlawful Sales Reduction Fund, which this bill creates. Upon appropriation by the Legislature, the moneys in the fund will be allocated to the Office of Criminal Justice Planning (OCJP) for the funding of a competitive grant program.

The competitive grant program will award grants to local jurisdictions for the purpose of establishing a multi-agency task force, the composition of which will include prosecutors and local law enforcement personnel and may include state law enforcement personnel, for the purpose of significantly reducing the sales of black market cigarettes, and creating a deterrent to those sales through the focused investigation and prosecution of sales of black market cigarettes and other associated offenses and related crimes. The OCJP is required to consult with the Board in the administration of the competitive grant program.

This bill states legislative findings that the sale of black market, untaxed cigarettes has resulted in the loss of hundreds of millions of dollars in revenue, robbing state healthcare and programs designed to help children.

This bill also states it is the intent of the Legislature to provide resources to prosecutors and local law enforcement personnel, and to enable local jurisdictions to develop a multi-agency task force, for the purpose of significantly reducing the sales of black market cigarettes and creating a deterrent to those sales through the focused investigation and prosecution of sales of black market cigarettes, and other associated offenses and related crimes.

BACKGROUND

In 1959, Assembly Bill 1172 (Chapter 1040) added Section 30474 to the Revenue and Taxation Code. In 1983, Assembly Bill 1485 (Ch. 1092) increased the amount of the penalty to be paid by a person guilty of possessing, selling or offering to sell unstamped cigarettes, from twenty-five dollars (\$25) to fifty dollars (\$50) for each carton of 200 cigarettes.

In 1993, Senate Bill 704 (Chapter 1113) increased the penalty to one hundred dollars (\$1 00) for each carton of 200 cigarettes. That bill also provided that the court shall direct 50 percent of the penalty assessed to the local prosecuting jurisdiction, to be allocated for costs of prosecution, and 50 percent to the Board.

COMMENTS

1. **Purpose.** This bill is intended to reduce the availability of cigarettes on the black market, to restrict youth access to cigarettes, and to eliminate burglaries, vandalism and other street crime associated with black market cigarette sales.

According to the sponsor, the negative societal consequences of black market cigarette sales are staggering. Young people are the most likely to purchase black market cigarettes. Street vendors of illegal products sell in areas that are populated by young people, such as parks, video arcades and donut shops. They often sell near schools and in residential areas. Often, individual cigarettes are sold to minors. The younger a person begins to smoke, the more addicted the person becomes. In addition, law enforcement notes a correlation between gang-related activity and black market cigarettes. Street gangs play a prominent

role in the contraband tobacco market, particularly those that run cigarettes from Mexico to Los Angeles.

Although local law enforcement, such as the Los Angeles Police Department, recognizes the increase in the black market cigarette cases, their resources are often diverted to other priorities and they are unable to address this growing problem. This bill is intended to provide the needed resources to local law enforcement to reduce the availability of cigarettes on the black market, to restrict youth access to cigarettes, and to eliminate burglaries, vandalism and other street crime associated with black market cigarette sales.

2. **This bill would require the OCJP to consult with the Board in the administration of the competitive grant program.** Although it is not clear what this would entail, the Board is able to provide any statistical and other non-confidential information related to cigarette and tobacco tax evasion that would assist the OCJP in its administration of the competitive grant program. Statutory authority or an order from the Governor would be required for the Board to share confidential information with the OCJP. The Board would also provide assistance and training to prosecutors and local law enforcement personnel in the area of black market cigarettes. The Board would also take an active role in the Multi-Agency task forces created, which could include the following:

- Assist the task force, created by this bill, in the identification and implementation of required program elements
- Provide POST certified training to local law enforcement for unstamped cigarette investigations
- Provide promotional material and awareness training for California District Attorneys and Magistrates
- Establish a central liaison for the law enforcement community to facilitate local and statewide coordinated community compliance inspections
- Provide referrals, when appropriate, to participating local law enforcement agencies

3. **Would this measure produce enough revenues for a grant program?** Under current law, each person convicted of possessing, selling or offering to sell unstamped cigarettes shall pay one hundred dollars (\$100) for each carton of 200 cigarettes. To date, only a very small fraction of seizures have resulted in penalty assessments. According to the Board's Investigations Division, the courts have assessed \$231,081 in penalties in the last six years. These penalties were all assessed in cases involving the prosecution of felony offenses. Felony offenses typically involve the administrative seizure of hundreds of cartons of cigarettes, which would involve penalties in the millions of dollars if assessed at one hundred dollars (\$100) per carton of 200 cigarettes. Because the penalty would be extreme relative to the tax if assessed at the maximum amount, the courts typically decrease the amount of the penalty.

The penalty for selling unstamped cigarettes also applies to misdemeanor offenses. However, Board investigators do not have the statutory authority to issue misdemeanor citations. While local law enforcement does have the authority to issue misdemeanor citations, they do not have the resources to address the growing problem of cigarette tax evasion. This measure is intended to provide the necessary funding to local law enforcement to develop a multi-agency task force for the purpose of significantly cracking down on cigarette tax evasion. It is the sponsor's belief that most of this funding would come from the issuance of misdemeanor citations by local law enforcement.

Assembly Bill 3000 (Assembly Committee on Budget) Chapter 1124

Budget Trailer Bill

"Stamps and Meter Impressions" Definition

Energy Resources Surcharge Cap Increase

Effective September 30, 2002. Among its provisions, amends Section 40016 of, and adds Section 30018 to, the Revenue and Taxation Code.

BILL SUMMARY

This is a budget trailer bill implementing various provisions incorporated into the 2002-03 Budget. Among other things, specifically with respect to Special Taxes, this bill does the following:

- Defines "stamps and meter impressions" to mean the indicia of payment of tax, as required, and include, but are not limited to, stamps, meter impressions, or any other indicia developed using current technology.
- Increases the "cap" on the energy resources surcharge imposed on the consumption in this state of electrical energy purchased from an electric utility, on and after January 1, 2003, from two-tenths (\$0.0002) of a mill to three-tenths (\$0.0003) of a mill.

Sponsor: Committee on Budget

Cigarette and Tobacco Products Tax

LAW PRIOR TO AMENDMENT

Revenue and Taxation Code Section 30161 (Cigarette and Tobacco Products Tax Law) generally provides that the cigarette tax imposed with respect to the distribution of cigarettes shall be paid by distributors through the use of stamps or meter impressions. Stamps and meter impressions, pursuant to Section 30162, shall be of such designs, specifications and denominations as may be prescribed by the Board. The term "stamps and meter impressions" is not defined under current law.

AMENDMENT

Among other things, this bill adds Section 30018 to the Revenue and Taxation Code to define "stamps and meter impressions" to mean the indicia of payment of tax, as required by Section 30161, and include, but are not limited to, stamps, meter impressions, or any other indicia developed using current technology. The Board is required to prescribe and approve the types of stamps and meter impressions, and the methods of applying stamps and meter impressions to packages of cigarettes.

COMMENTS

1. **Purpose.** This bill is intended to clarify that a stamp or meter impression can include basically any type of stamp or meter impression approved by the Board that may be available utilizing current technology.
2. **Provisions would not be problematic to administer.** This measure simply clarifies that a stamp or meter impression can include any type of stamps or meter impressions, including those generated by a technology capable of being read by a scanning or similar device. Enactment of these provisions would not materially affect the Board's administration of the cigarette and tobacco products tax law.

Energy Resources Surcharge**LAW PRIOR TO AMENDMENT**

Under current law, the energy resources surcharge is imposed on the consumption in this state of electrical energy purchased from an electric utility. The surcharge rate is currently fixed at two-tenths mill (\$0.0002) per kilowatt-hour.

The energy resources surcharge is collected by the Board and transmitted to the State Treasurer to be deposited in the State Treasury to the credit of the Energy Resources Surcharge Fund, which, after refunds, is deposited to the Energy Resources Program Account.

Section 40182 of the Energy Resources Surcharge Law provides that it is the intent of the Legislature that the funds in the Energy Resources Programs Account be used for ongoing energy programs and energy projects deemed appropriate by the Legislature, including, but not limited to, the activities of the State Energy Resources Conservation and Development Commission.

AMENDMENT

Among other things, this bill provides that the energy resources surcharge rate would be fixed by the Energy Commission at a public meeting in each November for each calendar year starting the following January. The maximum rate is three-tenths mill (\$0.0003) per kilowatt-hour of electricity sold by an electric utility. If the commission fails to fix the rate in any November, the surcharge would continue at the rate in effect during that November.

BACKGROUND

In 1974, AB 1575 (Chapter 276) established a surcharge of one-tenth of a mill (\$0.0001) per kilowatt-hour of electric power sold to consumers, or at a rate fixed on a periodic basis by the Board within prescribed limits. AB 2077 (Chapter 991, Statutes of 1974) changed the surcharge rate schedule and revised provisions for the administration and collection of the surcharge on electricity established by AB 1575.

In 1982, SB 1399 (Chapter 1067) repealed as of July 1, 1983, the provisions relating to the Board's periodic establishment of the rate. In addition, that bill established a fixed surcharge rate, on and after July 1, 1983, as the rate fixed by the Board which was in effect on that date (two-tenths of a mill (\$0.0002)).

COMMENTS

1. **Purpose.** This bill is intended to establish an energy resources surcharge rate that would cover all costs associated with the California Energy Commission's Energy Facilities Licensing Program (referred to as the siting program) on an ongoing basis.

The Legislative Analyst's Office recommended this proposal because they believe that the ratepayers--as opposed to general taxpayers--should support the siting program since they are the entities that directly benefit from the services provided by the siting program.

2. **Provisions would not be problematic to administer.** Enactment of the provisions relating to the energy surcharge rate would not materially affect the Board's administration of the energy resources surcharge law.
3. **Funding for energy programs would be increased.** The energy resources surcharge is collected by the Board and transmitted to the State Treasurer to be deposited in the State Treasury to the credit of the Energy Resources Surcharge Fund, which, after refunds, is deposited to the Energy Resources Program Account. The revenue deposited to the Energy Resources Program Account is used to pay for ongoing energy programs and energy projects deemed appropriate by the Legislature.

Assembly Bill 3009 (Committee on Budget) Chapter 1033*Budget Trailer Bill****Energy Resources Surcharge Cap Increase***

Effective September 30, 2002. Among its provisions, amends Section 40016 of the Revenue and Taxation Code.

BILL SUMMARY

This is a budget trailer bill implementing various provisions incorporated into the 2002-03 Budget. This bill, among other things, increases the "cap" on the energy resources surcharge imposed on the consumption in this state of electrical energy purchased from an electric utility, on and after January 1, 2003, from two-tenths (\$0.0002) of a mill to three-tenths (\$0.0003) of a mill.

Sponsor: Committee on Budget

LAW PRIOR TO AMENDMENT

Under current law, the energy resources surcharge is imposed on the consumption in this state of electrical energy purchased from an electric utility. The surcharge rate is currently fixed at two-tenths mill (\$0.0002) per kilowatt-hour.

The energy resources surcharge is collected by the Board and transmitted to the State Treasurer to be deposited in the State Treasury to the credit of the Energy Resources Surcharge Fund, which, after refunds, is deposited to the Energy Resources Program Account.

Section 40182 of the Energy Resources Surcharge Law provides that it is the intent of the Legislature that the funds in the Energy Resources Programs Account be used for ongoing energy programs and energy projects deemed appropriate by the Legislature, including, but not limited to, the activities of the State Energy Resources Conservation and Development Commission.

AMENDMENT

Among other things, this bill provides that the energy resources surcharge rate would be fixed by the Energy Commission at a public meeting in each November for each calendar year starting the following January. The maximum rate is three-tenths mill (\$0.0003) per kilowatt-hour of electricity sold by an electric utility. If the commission fails to fix the rate in any November, the surcharge would continue at the rate in effect during that November.

BACKGROUND

In 1974, AB 1575 (Chapter 276) established a surcharge of one-tenth of a mill (\$0.0001) per kilowatt-hour of electric power sold to consumers, or at a rate fixed on

a periodic basis by the Board within prescribed limits. AB 2077 (Chapter 991, Statutes of 1974) changed the surcharge rate schedule and revised provisions for the administration and collection of the surcharge on electricity established by AB 1575.

In 1982, SB 1399 (Chapter 1067) repealed as of July 1, 1983, the provisions relating to the Board's periodic establishment of the rate. In addition, that bill established a fixed surcharge rate, on and after July 1, 1983, as the rate fixed by the Board which was in effect on that date (two-tenths of a mill (\$0.0002)).

COMMENTS

1. **Purpose.** This bill is intended to establish an energy resources surcharge rate that would cover all costs associated with the California Energy Commission's Energy Facilities Licensing Program (referred to as the siting program) on an ongoing basis.

The Legislative Analyst's Office recommended this proposal because they believe that the ratepayers--as opposed to general taxpayers--should support the siting program since they are the entities that directly benefit from the services provided by the siting program.

2. **Provisions would not be problematic to administer.** Enactment of the provisions relating to the energy surcharge rate would not materially affect the Board's administration of the energy resources surcharge law.
3. **Funding for energy programs would be increased.** The energy resources surcharge is collected by the Board and transmitted to the State Treasurer to be deposited in the State Treasury to the credit of the Energy Resources Surcharge Fund, which, after refunds, is deposited to the Energy Resources Program Account. The revenue deposited to the Energy Resources Program Account is used to pay for ongoing energy programs and energy projects deemed appropriate by the Legislature.

Senate Bill 849 (Torlakson) Chapter 514***Oil Spill Fee Cap Increase***

Effective January 1, 2003. Amends Sections 8670.37.58, 8670.40, 8670.54, and 8670.55 of, and adds Sections 8670.41 and 8670.42 to, the Government Code.

BILL SUMMARY

Among other things, this bill increases the amount of the annual assessment of the Oil Spill Prevention and Administration Fee the administrator¹ is authorized to impose from four cents (\$0.04) to five cents (\$0.05) per barrel of crude oil or petroleum products.

Sponsor: Senator Torlakson

LAW PRIOR TO AMENDMENT

Under existing law, Section 8670.40 of the Government Code requires the State Board of Equalization (Board) to collect the Oil Spill Prevention and Administration Fee in an amount determined by the administrator to be sufficient to carry out the oil spill prevention and administration program, as specified, and a reasonable reserve for contingencies. The amount of the annual assessment shall not exceed four cents (\$0.04) per barrel of crude oil or petroleum products.

Since its inception, the amount of the fee as determined by the administrator and collected by the Board has been set at a rate of four cents (\$0.04) per barrel. The fee is paid to the Board based upon the number of barrels of crude oil or petroleum products received at a marine terminal or transported by pipeline during the preceding month and deposited into the Oil Spill Prevention and Administration Fund. The Oil Spill Prevention and Administration Fee is collected solely for the following purposes:

- To implement oil spill prevention programs.
- To carry out studies that may lead to improved oil spill prevention and response.
- To finance environmental and economic studies relating to the effects of oil spills.
- To implement, install, and maintain emergency programs, equipment, and facilities to respond to, contain, and clean up oil spills and to ensure that those operations will be carried out as intended.
- To respond to an imminent threat of a spill.
- To reimburse the member agencies of the State Interagency Oil Spill Committee and the Board for costs arising from implementation, as specified.

¹ Chief Deputy Director of the Department of Fish and Game.

AMENDMENT

This bill would increase the amount of the annual assessment of the Oil Spill Prevention and Administration Fee the administrator is authorized to impose from four cents (\$0.04) to five cents (\$0.05) per barrel of crude oil or petroleum products.

BACKGROUND

In 1990, Senate Bill 2040 (Chapter 1248, Keene) added and Senate Bill 7 (Chapter 10, Keene) amended Section 8670.40 of the Government Code to impose the Oil Spill Prevention and Administration Fee. These bills required the Board to collect the fee at an amount determined by the administrator, which is not to exceed four cents (\$0.04) per barrel of crude oil or petroleum products.

In 1991, AB 1409 (Chapter 300, Lempert) enacted the Oil Spill Response, Prevention, and Administration Fees Law that prescribed the powers, duties and procedures of the Board for collection, in part, of the Oil Spill Prevention and Administration Fee.

COMMENTS

1. **Purpose.** This bill is intended to expand the operations, capacity and readiness of the state's oil spill prevention and response system. According to the author's office, there is evidence that the current fee is not adequate to fund the level of readiness and response necessary to protect the state's waterways.
2. **The Board does not anticipate any problems administering the provisions of this bill.** Increasing the amount of the fee, as authorized by the administrator according to the provisions of this bill, would not materially affect the Board's administration of the Oil Spill Prevention and Administration Fee.

Senate Bill 1701 (Peace) Chapter 881
Alternative Cigarette Tax Stamps

Effective January 1, 2003. Amends, repeals, and adds Section 30162 of the Revenue and Taxation Code.

BILL SUMMARY

This bill, as of January 1, 2005, requires the State Board of Equalization (Board) to replace the stamps and meter impressions, currently required to be affixed to a package of cigarettes, with stamps and meter impressions generated by a technology capable of being read by a scanning or similar device, and encrypted with specified information.

Sponsor: Senator Peace

LAW PRIOR TO AMENDMENT

Revenue and Taxation Code Section 30161 (Cigarette and Tobacco Products Tax Law) generally provides that the cigarette tax imposed with respect to the distribution of cigarettes shall be paid by distributors through the use of stamps or meter impressions. Stamps and meter impressions, pursuant to Section 30162, shall be of such designs, specifications and denominations as may be prescribed by the Board.

AMENDMENT

This bill amends, repeals and adds Section 30162 to require the Board, as of January 1, 2005, to replace stamps and meter impressions, currently required to be affixed to a package of cigarettes prior to distribution as evidence of payment of the tax imposed, with stamps and meter impressions that can be read with a scanning or similar device. This bill requires the stamps and meter impressions to be encrypted with, at a minimum, the following information:

- The name and address of the wholesaler or distributor affixing the stamp or meter impression.
- The date the stamp or meter impression was affixed.
- The denominated value of the stamp or meter impression.

BACKGROUND

The Board currently contracts with The Meyercord Company (Meyercord) for cigarette tax stamps and application machinery. Among other things, the contract provides the denominations and configurations of stamps, design of stamps, performance of stamps, security, inventory system, and requirements for application machinery, ancillary equipment, service and training. The cigarette tax stamp contract is for the three-year period commencing January 1, 2002 and ending

December 31, 2004. With respect to counterfeit stamps, the contract provides the following:

- Stamps shall be designed so that the date of issuance and denomination can quickly be determined upon unaided visual inspection of stamps affixed to packages of cigarettes.
- Stamps shall contain hidden security features that will allow staff of both the Board and the bidder to determine their authenticity.
- Bidder shall provide specifications using the most effective technology that would contain security features to prevent counterfeit or reproduction of stamps.
- Stamps shall be constructed in layers consisting of at least five impressions, including safety-tint letter, applied to a release type carrier using a gravure process.
- Each stamp shall contain not less than three different distinctive colors.
- All stamps on rolls shall be numbered to provide a means to trace both affixed and unaffixed stamps in the case of fraud, theft, or loss.

Stamps ordered by the Board are furnished by Meyercord to Bank of America. The Board contracts with Bank of America to sell cigarette tax stamps to licensed distributors and to remit the tax collected to the Board. The Board's current contract with Bank of America is for the three-year period commencing July 1, 2001 and ending June 30, 2004.

Licensed cigarette distributors affix the cigarette stamps to packages of cigarettes with machinery purchased or leased from Meyercord. The packages of cigarettes are generally distributed by cigarette distributors to retailers and wholesalers in this state.

COMMENTS

1. **Purpose.** This bill is intended to require the Board to use a "smart" cigarette tax stamp capable of storing a unique, encrypted digital signature. The author believes that a smart cigarette tax stamp would address the counterfeit tax stamp issue where stamps are reproduced and appear identical to legitimate indicia. The authenticity of the tax stamp could be verified visually and with a hand held scanning device.

2. **This measure would provide investigators a method of instantly verifying the authenticity of a stamp.** The Board's Investigations Division has identified several evasion schemes involving counterfeit cigarette stamps. Production methods of such stamps include, in part, offset printing, silkscreen, lithography, flexo printing, laser printing and personal computer. Currently, counterfeit stamps are typically of such good quality that they appear identical to an authentic stamp therefore making it virtually impossible to identify counterfeit stamps by visual inspection.

This bill would address the identification of counterfeit stamps by requiring the use of a stamp that is capable of being read by a scanning or similar device. Each stamp would be a unique, encrypted digital signature. An on-site decryption through the use of a scanning or similar device would instantly reveal the unique digital signature, which would verify the authenticity of the stamp. A duplicate or wrong message would indicate a counterfeit stamp.

3. **New process would eliminate the need for bank contract.** The purchase process of encrypted stamps, as Board staff understands, would begin with the distributor placing an order for stamps with the Board. The Board would subsequently notify the stamp vendor of the order. The stamp vendor would create the stamp and deliver it electronically to the distributor's digital stamping equipment. As a result of this measure, Bank of America's role of selling stamps to licensed distributors would no longer be necessary since the stamp would be delivered directly from the vendor to the distributor electronically. The Board's contract with Bank of America currently costs California approximately \$586,000 per year. This would also address the Department of Finance's interest in reducing or eliminating these contract costs.

Senate Bill 1766 (Ortiz) Chapter 686
Face-to-Face Sales of Cigarettes

Effective January 1, 2003. Adds Section 1021.10 to the Code of Civil Procedure, and adds Section 30101.7 to the Revenue and Taxation Code.

BILL SUMMARY

Among its provisions, this bill requires that every retail sale of cigarettes in California be a vendor-assisted, face-to-face sale, unless all applicable taxes due on the sale are paid or the seller includes a prominent notice on the package indicating that the purchaser is responsible for any applicable California taxes on the cigarettes.

Sponsor: Senator Ortiz

LAW PRIOR TO AMENDMENTS

Under current law, Section 30101 of the Cigarette and Tobacco Products Tax Law imposes an excise tax of 6 mills (or 12 cents per package of 20) on each cigarette distributed. In addition, Section 30123 and 30131.2 impose a surtax of 12 ½ mills (25 cents per package of 20) and 25 mills (50 cents per package of 20), respectively, on each cigarette distributed. The current total tax on cigarettes is 43 ½ mills per cigarette (87 cents per package of 20). This excise tax is imposed upon each cigarette distribution, which is basically defined as the first sale of untaxed cigarettes in this state.

Chapter 10A of Title 15 of the United States Code (also known as the Jenkins Act) requires any person that sells or transfers cigarettes for profit in interstate commerce and ships the cigarettes into a state that imposes a tax on cigarettes to file by the 10th of each calendar month a copy of the invoice for each and every shipment of cigarettes made during the previous calendar month in that state. This information is required to show the name and address of the person to whom the shipment was made, the brand, and quantity of the shipment. Any person who violates these provisions shall be guilty of a misdemeanor and shall be subject to a fine of not more than \$1,000, imprisoned not more than 6 months, or both.

Current law imposes a sales or use tax on the sale or purchase of tangible personal property in this state (including cigarettes). When a person sells cigarettes at retail in this state, the sales tax applies. The seller is responsible for this tax and must pay it to the state. When the sales tax does not apply, the use tax does. For example, when a person buys cigarettes from a point outside this state for the use or consumption in this state, the use tax is the applicable tax. If the out-of-state seller has nexus within the state, the seller is required to collect the use tax from the purchaser at the time of sale. If the seller does not collect the use tax, or if the seller does not have nexus in this state, the purchaser is required to pay the use tax directly to the Board of Equalization.

AMENDMENTS

Vendor sales

This bill adds Section 30101.7 to the Revenue and Taxation Code to provide that no person may engage in a retail sale of cigarettes in California unless the sale is a vendor-assisted, face-to-face sale.

This bill defines a “face-to-face sale” to mean a sale in which the purchaser is in the physical presence of the seller or the seller’s employee or agent at the time of the sale. A face-to-face sale does not include any transaction conducted by mail order, the Internet, telephone, or any other anonymous transaction method in which the buyer is not in the seller’s physical presence. However, this section does not prohibit any lawful sale of a tobacco product that occurs by means of a vending machine.

Non-face-to-face sales

This bill also provides that a person may engage in a non-face-to-face sale of cigarettes to a person in California provided that the seller complies with either of the following conditions:

- All applicable California taxes on the cigarettes have been paid.
- The seller includes on the outside of the shipping container for any cigarettes shipped to a resident in California from any source in the United States, an externally visible and easily legible notice located on the same side of the shipping container as the address to which the package is delivered stating the following:

If these cigarettes have been shipped to you from a seller located outside of the state in which you reside, the seller has reported pursuant to federal law the sale of these cigarettes to your state tax collection agency, including your name and address. You are legally responsible for all applicable unpaid state taxes on these cigarettes.

Penalties

This bill provides that the Attorney General or a city attorney, county counsel, or district attorney may bring a civil action to enforce the proposed section against any person that violates the provisions of the proposed section. This bill also provides that in addition to any other remedies provided by law, the court shall assess a civil penalty ranging from \$1,000 to \$10,000 based on the number of violations within a specified period of time.

This bill adds Section 1021.1 to the Code of Civil Procedure to provide that if an action is brought against a person by the people of the State of California for failure to comply with the provisions of the Jenkins Act, the court shall award fees and costs, including reasonable attorney's fees, to the people if the people succeed on any claim to enforce the Jenkins Act.

This bill also provides that all the provisions are severable, and if any provision of this bill is found to be invalid, that invalidity would not affect other provisions of this bill.

BACKGROUND

Because of the state excise tax imposed on cigarettes and the sales tax due on the sale of cigarettes, many consumers have turned to the Internet as a way of obtaining cigarettes from out-of-state sellers who do not charge the California taxes. To help track down the purchasers of cigarettes from out-of-state sellers, the Board utilizes information required to be provided by the Jenkins Act (requires the sellers to provide the name and address of the purchasers to the Board) to bill consumers for the taxes due.

COMMENTS

- 1. Purpose.** This bill is intended to facilitate the collection of taxes on cigarettes sold to residents of California over the Internet or by mail order.
- 2. Internet purchases.** As efforts increase in this state to stop the illegal sale of cigarettes and tobacco products to minors, minors may find it more difficult to purchase cigarettes from traditional locations such as liquor stores and gas station mini-marts. This may lead to minors turning to the Internet as a means of acquiring cigarettes since the retailer is not likely to verify the age of the purchaser. This can lead to additional tax avoidance since the Internet retailer is unlikely to collect the California taxes due and the minor purchasing cigarettes is unlikely to self-report the California taxes due.
- 3. The Jenkins Act.** The Jenkins Act requires any person that sells or transfers cigarettes for profit in interstate commerce and ships the cigarettes into a state that imposes a tax on cigarettes to file by the 10th of each calendar month a copy of the invoice for each and every shipment of cigarettes made during the previous calendar month in that state. Many consumers who shop on the Internet may not be aware of these provisions and think they are successfully avoiding the tax by purchasing cigarettes from out-of-state sellers over the Internet. The Board utilizes the information required to be provided by the Jenkins Act to bill consumers for the taxes due. Unfortunately, some cigarette retailers do not comply with the provisions of the Jenkins Act. Since the Jenkins Act is a federal statute, the Board requires the assistance of federal law enforcement agencies to enforce the provisions of the Jenkins Act. Also, the provisions of the Jenkins Act apply only to the sale of cigarettes, not tobacco products.
- 4. Enforcement.** This bill would make several requirements of any person who sells tobacco products to consumers in this state. However, some of these retailers are located outside California and have no business presence in this state. Without a presence in this state, the state would have a difficult time enforcing the provisions of this bill.

- 5. Penalty provisions.** This bill provides that the Attorney General, a city attorney, county counsel, or district attorney may bring a civil action to enforce the provisions of this bill against any person that violates the provisions of this bill. This bill also provides a schedule of civil penalties ranging from \$1,000 to \$10,000, depending on the frequency of violations.
- 6. Related legislation.** Senate Bill 2082 (Bowen) would have required any person who advertises on the Internet to sell cigarettes in California and is subject to the provisions of the Jenkins Act to conspicuously disclose that a purchaser who buys cigarettes that are shipped into California is responsible for paying the state excise tax and the state use tax and to show in the advertisement the amount of these taxes that would be due. This bill would have also required the person selling or transferring the cigarettes to provide to the Board of Equalization a copy of the invoice for each shipment made into California. The Board voted to support SB 2082, but it was held in Assembly Revenue and Taxation Committee.

TABLE OF SECTIONS AFFECTED

SECTION		BILL AND CHAPTER NUMBER		SUBJECT
Revenue and Taxation Code				
<i>Motor Vehicle Fuel Tax Law</i>				
§7403.2	Amend	AB 1936	Ch. 459	Electronic filing; train operator report
§7651	Amend	AB 1936	Ch. 459	Electronic filing; supplier return
§7652.5	Amend	AB 1936	Ch. 459	Electronic filing; terminal operator report
§7652.7	Amend	AB 1936	Ch. 459	Electronic filing; pipeline operator and vessel operator report
<i>Use Fuel Tax Law</i>				
§8752	Amend	AB 1936	Ch. 459	Electronic filing; user
§8763	Add	AB 1936	Ch. 459	Electronic media
§9278	Add	AB 1458	Ch. 152	Offers in compromise
<i>Cigarette and Tobacco Products Tax Law</i>				
§30018	Add	AB 3000	Ch. 1124	"Stamps and meter impressions" definition
§30101.7	Add	SB 1766	Ch. 686	Face-to-face cigarette sales
§30162	Amend Repeal Add	SB 1701	Ch. 881	Alternative cigarette tax stamp
§30181	Amend	AB 1936	Ch. 459	Electronic filing; distributor of tobacco products return
§30182	Amend	AB 1936	Ch. 459	Electronic filing; licensed distributor report
§30183	Amend	AB 1936	Ch. 459	Electronic filing; registered distributor report

TABLE OF SECTIONS AFFECTED (CONTINUED)

SECTION		BILL AND CHAPTER NUMBER		SUBJECT
Revenue and Taxation Code				
<i>Cigarette and Tobacco Products Tax Law (cont.)</i>				
§30186	Amend	AB 1936	Ch. 459	Electronic filing; common carrier report
§30187	Amend	AB 1936	Ch. 459	Electronic filing; consumer report
§30188	Amend	AB 1936	Ch. 459	Electronic filing; wholesaler report
§30193	Add	AB 1936	Ch. 459	Electronic media
§30474.5	Add Repeal	AB 2205	Ch. 687	Increased penalty for unstamped packages of cigarettes
<i>Alcoholic Beverage Tax Law</i>				
§32251	Amend	AB 1936	Ch. 459	Electronic filing; returns
§32263	Add	AB 1936	Ch. 459	Electronic media
<i>Energy Resources Surcharge Law</i>				
§40016	Amend	AB 3000	Ch. 1124	Energy resources surcharge "cap" increase
§40016	Amend	AB 3009	Ch. 1033	Energy resources surcharge "cap" increase
§40061	Amend	AB 1936	Ch. 459	Electronic filing; electric utility return
§40063	Amend	AB 1936	Ch. 459	Electronic filing; consumer return
§40069	Add	AB 1936	Ch. 459	Electronic media

TABLE OF SECTIONS AFFECTED (CONTINUED)

SECTION	BILL AND CHAPTER NUMBER		SUBJECT	
Revenue and Taxation Code				
<i>Emergency Telephone Users Surcharge Law</i>				
§41052	Amend	AB 1936	Ch. 459	Electronic filing; service supplier return
§41063	Add	AB 1936	Ch. 459	Electronic media
<i>Hazardous Substances Tax Law</i>				
§43151	Amend	AB 1936	Ch. 459	Electronic filing; disposal fee
§43152.6	Amend	AB 1936	Ch. 459	Electronic filing; facility fee
§43152.7	Amend	AB 1936	Ch. 459	Electronic filing; generator fee
§43152.9	Amend	AB 1936	Ch. 459	Electronic filing; environmental fee
§43152.13	Amend	AB 1936	Ch. 459	Electronic filing; occupational lead poisoning fee
§43152.14	Amend	AB 1936	Ch. 459	Electronic filing; childhood lead poisoning prevention fee
§43173	Add	AB 1936	Ch. 459	Electronic media
<i>Integrated Waste Management Fee Law</i>				
§45151	Amend	AB 1936	Ch. 459	Electronic filing; operator return
§45163	Add	AB 1936	Ch. 459	Electronic media
<i>Oil Spill Response, Prevention, and Administration Fees Law</i>				
§46151	Amend	AB 1936	Ch. 459	Electronic filing; return
§46163	Add	AB 1936	Ch. 459	Electronic media

TABLE OF SECTIONS AFFECTED (CONTINUED)

SECTION	BILL AND CHAPTER NUMBER		SUBJECT
Revenue and Taxation Code			
<i>Underground Storage Tank Maintenance Fee Law</i>			
§50109	Amend	AB 1936 Ch. 459	Electronic filing; return
§50112.10	Add	AB 1936 Ch. 459	Electronic media
§50156.18	Add	AB 1458 Ch. 152	Offers in compromise
<i>Fee Collection Procedures Law</i>			
§55040	Add	AB 1936 Ch. 459	Electronic filing
§55046.5	Add	AB 1458 Ch. 152	Disaster relief
<i>Diesel Fuel Tax Law</i>			
§60107	Amend	AB 1936 Ch. 459	Electronic filing; train operator report
§60201	Amend	AB 1936 Ch. 459	Electronic filing; supplier return
§60202	Amend	AB 1936 Ch. 459	Electronic filing; interstate user return
§60204	Amend	AB 1936 Ch. 459	Electronic filing; terminal operator report
§60205	Amend	AB 1936 Ch. 459	Electronic filing; exempt bus operator return
§60205.5	Amend	AB 1936 Ch. 459	Electronic filing; government entity return
§60505.5	Add	AB 1936 Ch. 459	Electronic media; claim for refund

TABLE OF SECTIONS AFFECTED (CONTINUED)

SECTION	BILL AND CHAPTER NUMBER		SUBJECT	
Code of Civil Procedure				
§1021.10	Add	SB 1766	Ch. 686	Face-to-face sales of cigarettes
Government Code				
§8670.37.58	Amend	SB 849	Ch. 514	Lower standard of financial responsibility for certain nontank vessels
§8670.40	Amend	SB 849	Ch. 514	Oil spill fee cap increase
§8670.41	Add	SB 849	Ch. 514	Nontank vessel certificate of financial responsibility application fee
§8670.42	Add	SB 849	Ch. 514	Report of financial basis and programmatic effectiveness of the oil spill prevention, response & preparedness program
§8670.54	Amend	SB 849	Ch. 514	Oil spill technical advisory committee membership increase
§8670.55	Amend	SB 849	Ch. 514	Review of oil spill prevention, response & preparedness program report
§11125.1	Amend	AB 1752	Ch. 156	Disclosure and posting of Board hearing information