



STATE BOARD OF EQUALIZATION

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November 20, 2015

Mr. William Connell

Dear Mr. Connell:

Thank you for your participation in the Board of Equalization's (BOE's) June 23, 2015, Business Taxpayers' Bill of Rights Hearings held in Culver City. I appreciate you taking the time to present your suggestions for identifying and notifying honorably discharged veterans of recently enacted legislation that allows a sales tax repayment to qualified veterans. You mentioned that you completed a claim form for payments you made that are not eligible for repayment under Assembly Bill (AB) 919, but that you do not know how much to claim. You also expressed concern about comments made about you in a June 2014 bill analysis prepared by staff of the Senate Governance and Finance Committee in relation to AB 919.

Following are responses to the suggestions and concerns you expressed at the June 23, 2015 Hearings.

Notifying Qualified Veterans of the Sales Tax Repayment Program

In your comments, you stressed the need for continuing efforts to locate and repay veterans qualified for sales tax repayment under AB 919, and mentioned your efforts, working with Santa Barbara County and local cities, to add to the application for a business license, "Are you an honorably discharged veteran?" In response, the Board Members discussed the possibility of mimicking these efforts on the application for a seller's permit, filed with the BOE by new retailers.

The Taxpayers' Rights Advocate (TRA) Office consulted with the Sales and Use Tax Department about how best to provide information via the BOE's sales and use tax registration process about the legal status of qualified itinerant veteran vendors, as well as the repayment of sales tax under specified circumstances that is available to these vendors. The online registration system does not include a process to self-identify honorably discharged veterans since, under current law (Revenue and Taxation Code section 6018.3), qualified itinerant veteran vendors are considered consumers and therefore are not required to register for a seller's permit.

In reviewing the information provided through the sales and use tax online registration process, the TRA Office identified an appropriate location to draw attention to veteran's topics posted on the BOE website. A person who intends to register for a seller's permit online is directed to an informational page, *Register for a Permit, License, or Account* (www.boe.ca.gov/info/reg.htm),

which includes an explanation of who must obtain a seller's permit. The following sentence has now been added to this page:

“If you are an itinerant veteran vendor, please visit our Veteran's Tax Topics page to find out whether you are required to have a seller's permit.”

This new sentence contains a link to the *Veterans Tax Topics* page on the BOE website (www.boe.ca.gov/sutax/veterans.htm), where an explanation of how sales and use tax applies to itinerant veteran vendors can be found, along with many other topics affecting veterans. Information about the tax repayment program can also be accessed through the *Veterans Tax Topics* page.

Government Claim Form

In response to your requests for assistance in compiling information for the government claim you were preparing to file with the Victim's Compensation and Government Claim Board, on July 2, 2015, I provided you the amounts of total net payments received in each of your seller's permit accounts; and on August 18, 2015, Chief Deputy Director David Gau sent you a list of the dates and locations of Board meetings at which you appeared. I hope this information was helpful to you.

Comments in a Bill Analysis for Assembly Bill 919

In your comments you expressed concerns about disparaging remarks made about you in legislative analyses related to AB 919 (2014, Williams) prepared by staff of the California State Legislature. At that time, the Board indicated that they would have BOE staff look into the matter and, to the extent possible, address your concerns.

The BOE's Legislative and Research Division recently told me they learned that, once a legislative session has closed, analyses cannot be changed, nor can letters be sent for inclusion in the Daily Journal. Therefore, unfortunately the BOE will not be able to seek changes to the AB 919 legislative analyses in the closed 2013-14 session.

I understand and sympathize with your concerns. I firmly believe that, as a veteran who has served this country with loyalty and honor, you are entitled to respect and dignity. I can assure you that the BOE stands ready and willing to assist you with matters within its jurisdiction subject to California law. Your willingness to participate in the Board's public hearings to candidly express your concerns is greatly appreciated.

Thank you again for sharing your ideas and concerns as part of the annual hearing process.

Sincerely,

Todd C. Gilman, Chief
Taxpayers' Rights and
Equal Employment Opportunity Division

cc: Honorable Jerome E. Horton, Chairman
Senator George Runner (Ret.), Vice Chair
Honorable Fiona Ma, CPA, Second District
Honorable Betty T. Yee, State Controller
Ms. Yvette Stowers, Deputy State Controller
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Mr. Robert Tucker, Assistant Chief Counsel (MIC 82)
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Mr. Dan Leddy, Taxpayers' Rights Advocate Office (MIC 70)
Ms. Laureen Simpson, Taxpayers' Rights Advocate Office (MIC 70)