



PUBLIC COMMENT

From: CATA

Agenda Item: 6. LEOP

Meeting Date: 09/23/26

Minutes Exhibit: 9.4

The Honorable Sally J. Lieber, Chair
The Honorable Ted Gaines, Vice Chair
The Honorable Antonio Vazquez, Member
The Honorable Mike Schaefer, Member
The Honorable Malia M. Cohen, State Controller

California State Board of Equalization
P.O. Box 942879
Sacramento, CA 94279-0001
Via email: catherine.taylor@boe.ca.gov

Re: Proposed Semiannual Report on the Legal Entity Ownership Program

Dear Chair Lieber and Members of the Board:

The California Alliance of Taxpayer Advocates (CATA) respectfully submits the following observations and concerns regarding the proposed reporting and review of Legal Entity Ownership Program (LEOP) activities.

At the outset, we share Chair Lieber's commitment to ensuring that California's property tax system functions effectively, that changes in control and ownership are properly identified, and that all taxpayers are treated fairly and consistently. We recognize the importance of maintaining public confidence in the administration of the property tax system and appreciate the Board's continued oversight of these matters.

Based on our understanding of the proposal, the objective of the requested review is to determine whether qualifying transfers may be going unreported and whether such omissions could result in missed reassessments and corresponding property tax revenue. While we appreciate this concern, we believe it is important to consider the substantial improvements that have been made to the LEOP process over the past decade and the safeguards currently in place to promote compliance.

Since the enactment of SB 816 in 2009, taxpayers have faced significant reporting obligations and penalties related to changes in control and ownership of legal entities. The legislation established meaningful consequences for non-compliance, including penalties tied to reassessed property taxes. As a result, reporting of changes in control and ownership has become an integral component of transaction due diligence and tax compliance practices throughout the industry.

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In our experience, taxpayers approach the filing of Form BOE-100-B with the same level of attention and seriousness as other tax reporting obligations. The reporting requirements are well known among practitioners, legal counsel, and transaction participants, and compliance has become a routine part of corporate and real estate transactions.

Additionally, the enhanced coordination between the Franchise Tax Board (FTB) and the Board of Equalization LEOP Division has significantly strengthened the identification and review process. Information reported on business tax returns regarding ownership changes and entity activity is shared with LEOP staff, providing an additional layer of review, and enabling follow-up inquiries when appropriate. These measures create multiple checkpoints designed to identify potentially reportable events.

As an organization that supports effective tax administration, we respectfully suggest that any proposal for semiannual reporting first consider whether the benefits justify the additional administrative burden. Given the compliance framework currently in place, together with the existing reporting mechanisms and interagency coordination, it is unclear that a semiannual reporting requirement would materially improve compliance or discovery rates. Conversely, such a requirement could divert limited staff resources from other operational priorities.

Accordingly, CATA respectfully encourages the Board to carefully evaluate whether additional reporting requirements are necessary. We believe the current system already contains substantial checks and balances that have evolved since 2009 and have significantly enhanced the effectiveness of LEOP administration. We would welcome the opportunity to work collaboratively with the Board and staff to identify any specific areas where further improvements may be warranted before implementing a new reporting mandate.

Thank you for your consideration and for your continued dedication to the fair and efficient administration of California's property tax system.

Respectfully,



James R. DePasquale, Chair/President
California Alliance of Taxpayer Advocates (CATA)