



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

Cynthia Bridges
Executive Director
www.boe.ca.gov

For Immediate Release
August 2, 2012

Contact: NR 79-12-H
Jaime Garza
916-327-8988

Chairman Jerome E. Horton Speaks Out Against Employee Pay Cut

Jerome E. Horton, Chairman of the Board of Equalization and Member of the Franchise Tax Board, made the following statement regarding the impact the 2012 Personal Leave Program has on the Board of Equalization (BOE), Franchise Tax Board (FTB) and state budget:

We will continue to do our part during these tough economic times to minimize the negative impact of the reduction of hours. However, we are not magicians. Hobbling the BOE and FTB with the Personal Leave Program is like sending farmers home in the middle of harvest season.

As a result of the reduction of work hours, California will experience an estimated annual revenue loss/delay of \$88 million generated by the BOE. It is estimated that although cutting employee pay is projected to save the BOE \$13.5 million, it will cost the state \$6 to \$7 for every dollar saved, not to mention the negative morale it creates.

State employees are regular people who have chosen to serve the public. They hurt like the rest of California.

This is not in the best interest of the state and decreases the efficiency of our efforts to collect revenue. The FTB has stated that it loses its ability to maximize revenue production which results in lost opportunity revenue. While a figure has not been quantified, according to an economic projection based on the 2010 California Senate Office of Oversight and Outcomes report FTB loses \$7.15 for every dollar it saves.

The BOE and FTB administer numerous tax and fee programs that annually produce approximately \$54 billion and \$50 billion respectively. More than one million businesses in nearly every field of commercial activity are registered with the BOE. Every year, the FTB processes more than 16 million personal income tax returns and more than 1 million business entity tax returns.

The BOE is a leader in efficient tax administration. We spend less than one percent of each dollar collected – that's only 81 cents for every \$100 of revenue collected.

– More –

State Board of Equalization • 450 N Street, Sacramento, CA 95814 • 800-400-7115

Connect with Us:



Even though we have been forced to decrease our time spent on tax administration, we remain committed to providing the best customer service possible to our taxpayers. We know how important the BOE is to the state and how the revenue we collect goes back into our communities to support essential services such as schools, roads, hospitals, and public safety.

* * * * *

Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

###

Connect with Us:

