



## New district tax rate to take effect on July 1, 2013

Voters in the City of Atwater in Merced County have approved a new district tax that takes effect July 1, 2013. The new rate applies only within the city's incorporated limits. The tax rate outside the incorporated city limit will remain the same.

Tax Area	New Code	Acronym	County	Prior Rate	New Rate
City of Atwater	346	(ATWS)	Merced	7.50%	8.00%

Make sure your email address is correct on your account to receive notice whenever a tax change occurs. Sign up for BOE's RSS feed which delivers notices directly and timely to your smart phone or computer.

The Board of Equalization (BOE) has been emailing special notices to accounts with an email address to notify them whenever a rate change occurs. If you have not been receiving these, contact us at [www.boe.ca.gov/info/email.html](http://www.boe.ca.gov/info/email.html) to add your email address to your account.

### Do you need assistance determining whether an address is within city limits?

Some cities have developed a database to help identify addresses located within special taxing jurisdictions. In cooperation with these cities, our website contains links to their address databases ([www.boe.ca.gov/sutax/cityaddresses.htm](http://www.boe.ca.gov/sutax/cityaddresses.htm)). If you have questions about the addresses, you should contact the cities directly.

Our website also includes a link to a free sales and use tax rate locator ([www.geotax.com](http://www.geotax.com)) that allows you to determine a tax rate for any address within the state. The GeoTax link is provided as a public service. However, BOE does not maintain the website and is not responsible for the content or accuracy of the information shown on that site.

### For More Information

The City and County Tax Rates page ([www.boe.ca.gov/sutax/pam71.htm](http://www.boe.ca.gov/sutax/pam71.htm)) on our website contains additional information regarding tax rates and district taxes. For a complete listing of California tax rates, refer to [publication 71](#), *California City and County Sales and Use Tax Rates*. For information on district taxes, refer to [publication 44](#), *District Taxes*, and [publication 105](#), *District Taxes and Delivered Sales*. You can download or order a copy of the publications from our website or call our Taxpayer Information Section at 1-800-400-7115.

## CROS—Expand, Enhance, Empower

The Centralized Revenue Opportunity System (CROS) will replace the BOE's legacy computer systems with a 21st century customer-centered solution. This new solution will maximize the effectiveness of staff operations, generate an annual net increase of \$200 million in previously unidentified revenue, and provide efficiencies that will benefit California businesses with:

- Expanded online services for customers.
- Enhanced ability for our customers to communicate with us at any time, from anywhere.
- Empowering technology that reinforces transaction accuracy and security.

To reduce the problems experienced on other information technology (IT) modernization projects, we are using our new Pre-Implementation—Implementation (PI-I) approach. The PI-I approach allows us to resolve issues before implementation, gives BOE employees greater ownership of the new system, and lowers the project cost.

### BOARD MEMBERS

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To learn more about the CROS project, and view the latest updated information, visit our new webpage at [www.boe.ca.gov/CROS/](http://www.boe.ca.gov/CROS/); designed with a fresh new look and user-friendly navigation and updated with the latest information.

You will immediately notice streamlined information tabs, simple navigation, and access to the most up-to-date information. This improved destination for project information helps prospective bidders understand project scope and attracts the best vendors to put in place a new system that benefits our customers—the taxpayers.

A unique feature on the “Overview” tab is our Progress Indicator graphic, which highlights current accomplishments and future objectives as we strive towards full system implementation.

On the “Benefits” tab, we provide bullet points unique to our respective stakeholders, with a brief outline of the benefits-based contracting method we will use to pay for the new system.

The “New Approach” tab highlights the advantages of our PI-I approach, which differs from the traditional approach currently used on IT projects. It shifts the work normally done by the vendor during implementation to BOE employees during pre-implementation, giving them greater involvement in the project.

These are exciting times and in the coming months, we will expand our online content to bring you updated information, so we encourage you to bookmark this page, [www.boe.ca.gov/CROS/](http://www.boe.ca.gov/CROS/).

## **Fiscal year 2013-2014 sales taxes and excise taxes on fuel**

By March 1 of each year, the BOE is required to set the prepayment sales tax rate for motor vehicle fuel, diesel fuel, and aircraft jet fuel. The rates remain in effect from July 1 of the subsequent year to June 30 of the following year. The rate varies depending on the type of fuel involved, and may be adjusted each year or more often, if necessary.

At its February 26, 2013, Board meeting, the Board Members only changed the diesel fuel prepayment rate. The sales tax prepayment rates for gasoline and jet fuel did not change. The diesel fuel prepayment rate dropped to \$0.28 per gallon. The rates will be in effect from July 1, 2013, through June 30, 2014.

The excise tax rate on gasoline was increased to \$0.395 per gallon. The excise taxes on diesel fuel and jet fuel did not change. The new tax rate on gasoline will be in effect from July 1, 2013 to June 30, 2014.

Additionally, on July 1, 2013, the sales tax rates for diesel fuel will decrease from 9.67 percent to 9.44 percent, plus applicable district taxes. The sales tax rate on gasoline remains at 2.25 percent, and aircraft jet fuel at 7.5 percent, plus applicable district taxes.

## **Auditing electronic records**

The goal of all BOE audits is to verify whether the correct amount of tax has been paid during the audit period. Because businesses have migrated to electronic accounting systems, the BOE uses electronic data to complete audits in a fair, effective, and efficient manner.

Since most businesses keep their books and records in electronic form, the BOE can more readily assess the accuracy of your tax reporting by examining the electronic records, which may dramatically reduce the volume of paper documents needed to complete the audits. We call this a “computer-assisted audit.” [Regulation 1698, Records](#), allows the BOE to access all records, including electronic (machine-sensible) records and data that are part of the business’s books and records. Electronic data is considered part of the books and records.

The BOE’s use of electronic data to complete audits may be less time-consuming and more convenient than a conventional audit as a computer-assisted audit requires the retrieval of fewer supporting source documents, such as invoices, resale certificates, and shipping documents. This saves the time and expense of the taxpayer retrieving paper documents, which minimizes the disruption to the business and reduces the time the taxpayer (and their employees) must devote to the audit. The result is that we expect to have an audit which is less time consuming, more accurate, and requires fewer resources by the business and the BOE staff.

For further information, see [Regulation 1698, Records](#), [publication 116, Sales and Use Tax Records](#), and [publication 147, What to Expect in a Computer-Assisted Audit](#).



## Can a mobile seller get a retailer's license for sales of cigarettes and tobacco products?

A recent BOE legal ruling states that if you operate from a catering truck, lunch wagon, or other mobile facility, you do not qualify for a California Cigarette and Tobacco Products Retailer's License and therefore, cannot sell cigarettes or tobacco products from your mobile location in California. A "mobile location" does not meet the definition of a retail location. A retail location means either a building from which cigarettes or tobacco products are sold at retail, or a vending machine (Business and Professions Code section 22971, subdivision (q)). A retailer shall have in place and maintain a license to engage in the sale of cigarettes or tobacco products. A retailer that owns or controls more than one retail location shall obtain a separate license for each retail location, but may submit a single application for those licenses.

If you currently have a Cigarette and Tobacco Products Retailers' License for a mobile location, you will not be allowed to renew your license when it expires.

For more information, contact our Taxpayer Information Section at 1-800-400-7115.

## Top 500 sales and use tax delinquencies in California

The BOE updated the list of the Top 500 sales and use tax delinquencies for the first quarter of 2013. The amount totals \$581 million in unpaid taxes. An interactive map displays location, account name, and amount owed by taxpayers who are delinquent.

Legislation expanded the former Top 250 list to 500. The new law also requires the BOE to provide confidential information to participating state agencies that issue taxpayers' occupational, professional, and driver licenses. It also provides for delinquent taxpayers to be excluded from contracting with the state for goods and services.

Since the beginning of this program in 2007, many taxpayers have come forward to pay their debts or make installment payments to pay their debt in full.

The BOE posts this information every quarter, removing amounts addressed through payment arrangement, bankruptcy, litigation, or appeal. Taxpayers are notified 30 days before their information is posted, giving them time to pay.

BOE's list of the state's Top 500 sales and use tax delinquencies is updated quarterly and can be viewed at [www.boe.ca.gov/cgi-bin/deliq.cgi](http://www.boe.ca.gov/cgi-bin/deliq.cgi). Taxpayers on the Top 500 list may contact the BOE at 1-916-323-8624 to resolve their accounts and make payment agreements. The Franchise Tax Board's Top 500 list is published bi-annually on FTB's website at [www.ftb.ca.gov/aboutFTB/Delinquent\\_Taxpayers.shtml](http://www.ftb.ca.gov/aboutFTB/Delinquent_Taxpayers.shtml).

## Annual Taxpayers' Bill of Rights Hearings in Culver City

Do you have suggestions for improving our services? Do you want us to look more closely at a tax or fee issue? If you do, come share your ideas and concerns with our Board Members at the annual Taxpayers' Bill of Rights hearings. You may present your proposal orally or in writing.

Annual business and property taxes hearings are scheduled for July 17, 2013 in Culver City, starting at approximately 1:30 p.m.

Although you are not required to make advance arrangements to speak, it will help us to prepare if you contact the Taxpayers' Rights Advocate Office at 1-888-324-2798 beforehand to let us know your topic. If your proposal is complex or extensive, we encourage you to submit it in advance and then summarize it in your oral presentation.

For more details, please call the Advocate Office or visit them at [www.boe.ca.gov](http://www.boe.ca.gov) (click on the tab "Your Rights" and choose "Taxpayers' Rights Advocate"), where you can also view the office's latest annual report.



## Going green

In BOE's efforts to become greener and more cost effective, information like tax rate changes, newsletters, tax and fee updates, public meeting agendas, and announcements, will only be available electronically.

If the BOE does not have your business account's email address, then you may not receive important information that could affect your business.

To register as an eClient, visit our website at [www.boe.ca.gov](http://www.boe.ca.gov), click on the eServices tab and select "Register as an eClient." If you are using your Express Login Code and account number to file your returns, but still wish to receive emails, contact your local BOE office—[www.boe.ca.gov/info/phone.htm](http://www.boe.ca.gov/info/phone.htm)—and supply them with your business' email address. You can subscribe to our email BOE Updates on our website and receive all the latest BOE news on a monthly basis.

## Electronic payment of taxes— one day late?

If your electronic tax payment associated with filing a return or prepayment is late by *only one business day*, you may be eligible to have the interest associated with the late payment reduced.

Interest is generally imposed on a monthly basis when a tax payment is late. Therefore, if payment is made one day late, interest is imposed for an entire month. The BOE-sponsored legislation amends the law and adds Revenue and Taxation Code section 6591.6. If the Board, meeting as a public body, finds, taking into account all the facts and circumstances, that it is inequitable to compute interest on a monthly basis, interest will be computed on a daily basis from the date on which the tax or prepayment was due until the date of payment provided all of the following conditions are met:

- The payment of the tax or prepayment was made electronically.
- The payment of the tax or prepayment was made one business day after the due date.
- The taxpayer was granted relief from all penalties that applied to that payment of tax or prepayment.
- The person files a request for an oral hearing before the BOE.

Taxpayers may use [BOE-734](#), *Request to Compute Daily Interest for Electronic Payments—One Day Late*, to request the oral hearing.

Note: This does not apply to payments made pursuant to deficiency determinations, determinations where no return has been filed, or jeopardy determinations.

## Civil behavior in trying times

We know you may become frustrated with the difficulties associated with the tax law or pressed for time when dealing with our staff. We understand how you are feeling and ask that you please remember to treat our employees just as you would like to be treated in a business situation. Any statement or gesture made to a BOE employee that seems like a threat—even a statement made in jest—will be referred to our Internal Affairs Section for investigation.

## Ethics at work—“thank you” is enough

We would like to remind you that BOE policy generally prevents our employees from accepting gifts of any type. So if you are grateful to someone for going the extra mile to help you with a complicated issue, a simple “thank you” will do. You can also use our online Customer Service Survey form at [www.boe.ca.gov/info/survey.htm](http://www.boe.ca.gov/info/survey.htm) to express yourself. We appreciate your feedback!

## For More Information

All telephone numbers are toll-free.

### Internet

[www.boe.ca.gov](http://www.boe.ca.gov)  
[www.taxes.ca.gov](http://www.taxes.ca.gov)

### Taxpayer Information Section

1-800-400-7115 (TTY:711)

### Requests for Fax Copies

1-800-400-7115  
(Choose automated services)

### Seller's Permit Verification

1-888-225-5263  
[www.boe.ca.gov](http://www.boe.ca.gov)

### Taxpayers' Rights Advocate

1-888-324-2798  
[www.boe.ca.gov](http://www.boe.ca.gov)

### Tax Evasion Hotline

1-888-334-3300

### State Legislation

[www.leginfo.ca.gov/bilinfo.html](http://www.leginfo.ca.gov/bilinfo.html)

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