



## Board of Equalization Chair Jerome E. Horton announces proposed partnership to combat underground economy

As the Governor and Legislature grapple with a potential \$12 billion deficit for fiscal year 2011-12, the California State Board of Equalization (BOE) announced its support for a legislative proposal to create a statewide partnership of agencies committed to combating California's underground economy and recapturing billions of dollars lost to California.

Senate Bill 1185 would create the Centralized Intelligence Partnership (CIP), a concept initially introduced at a Board meeting in Sacramento. Under the proposed legislation, the CIP would be comprised of representatives from the BOE, the Franchise Tax Board, the Employment Development Department, and the Office of the Attorney General, among others. While each of these agencies are working on various aspects of the underground economy, all agree that there is a need to coordinate and partner on these efforts.

Board Member Horton strongly supports the efforts by the Governor and the Legislature to combat the economic impacts imposed by the underground economy through stronger cooperation of the various agencies. "It is vital that we coordinate our efforts to minimize revenue lost to the underground economy," said Board Member Horton.

Board Member Runner believes better coordinated efforts to combat the underground economy could help legitimate California businesses. He said, "The underground economy undercuts law-abiding business owners who are struggling to survive these very difficult economic times. By avoiding their tax obligations, black market operatives impose an effective tax increase on the rest of California. It's time for law enforcement and tax agencies at every level of government to work together to bring these criminals to justice."

The BOE is currently involved with five different industry task forces working on underground economy issues. Board Member Horton said, "This initiative will bring synergy to our enforcement efforts and empower us to develop proactive strategies to marshal our collective resources to combat international and domestic organized crime operating in the black market. Each of these task forces are effectively focused on specific objectives, our goal is to solidify and unify these objectives and empower us to work together."

## New tax rates to take effect on April 1, 2012

Voters in four cities and one county in California have approved new district taxes that are effective April 1, 2012. A city's new rates apply only within the incorporated limits of that city. The tax rates outside the incorporated city limits will remain the same. Mendocino County (MLST) is the only county wide increase. In addition, the City of Del Rey Oaks (DLRY) in Monterey County voted to extend the city's district tax.

AREA	NEW CODE	NEW ACRONYM	OLD RATE	NEW RATE
Fairfax (Marin County)	268	FFGT	8.00%	8.50%
Palm Springs (Riverside County)	275	PSGT	7.75%	8.75%
Oakdale (Stanislaus County)	279	ODGT	7.375%	7.875%
Vallejo (Solano County)	277	VJGT	7.375%	8.375%
Mendocino County	269	MLST	7.25%	7.375%
Willits**	270	WCRS	7.75%	7.875%
Point Arena**	271	PARS	7.75%	7.875%
Fort Bragg**	272	FBCS	7.75%	7.875%
Ukiah**	273	UKGT	7.75%	7.875%

\*\*The codes have changed and the rates have increased in these cities in Mendocino County, which already have additional district taxes in addition to the new countywide district tax.

### BOARD MEMBERS

BETTY T. YEE First District San Francisco	SEN. GEORGE RUNNER (RET.) Second District Lancaster	MICHELLE STEEL Third District Rolling Hills Estates	JEROME E. HORTON Fourth District Los Angeles	JOHN CHIANG State Controller	<b>EXECUTIVE DIRECTOR</b> KRISTINE CAZADD
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## Do you need assistance determining whether an address is within city limits?

Some cities have developed a database to help you 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 in the state. We provide the GeoTax link only as a public service. We do not maintain the website and are 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, you may also refer to [publication 71](#), *California City and County Sales and Use Tax Rates*. For information on district taxes, please refer to [publication 44](#), *District Taxes*, and [publication 105](#), *District Taxes and Delivered Sales*. You can download the publications from our website or order a hard copy by calling our Taxpayer Information Section.

## Online business registration update

The BOE's electronic registration system (eReg), coming in mid-2012, will provide an easy, quick, and accurate method of registering your business. When eReg becomes available, it will offer the following features and benefits:

- Simple one-time online enrollment to use our electronic services.
- Most accounts will be registered instantly.
- Ability to view and print the registration information packet which includes the permit or license.
- History of applications filed.
- Email updates of the status of your application.
- Links to reference materials such as law guides and publications related to your business activities.
- Online help.
- Convenient, online payment options for those tax or fee programs that require payment of a tax or fee.

Additional details regarding the eReg system will be provided as the implementation date approaches.

## Annual privacy notices

Did you receive your BOE-324-GEN notice? This notice is the BOE's annual privacy notice. It is an informational notice that explains why the BOE asks for certain information from you and why you are required to provide the information when we ask. You are not required to respond to this notice. A copy of the notice may be found on our website, [www.boe.ca.gov/pdf/boe324gen.pdf](http://www.boe.ca.gov/pdf/boe324gen.pdf).

## Do you write paper checks? Big changes coming in September!

Beginning in September 2012, we will be moving to a new system that will allow us to deposit checks the same day we receive them. This means that customer's checks will be processed immediately. For your convenience, we have several easy ways for you to make electronic payments. For more information, please visit: [https://efile.boe.ca.gov/boe/login\\_choice](https://efile.boe.ca.gov/boe/login_choice).

## Qualified Purchaser Program changes

The BOE approved changes to the Qualified Purchaser Program under Revenue and Taxation Code section 6225. Generally, a qualified purchaser is a business or person that receives at least \$100,000 in gross receipts from business operations per year, and is not otherwise required to be registered with the BOE. Qualified purchasers are required to register with the BOE and file annual use tax returns.

The following changes became effective July 2011:

- The BOE will automatically close qualified purchaser use tax accounts where three consecutive annual use tax returns were filed with no purchases subject to use tax reported.
- If a qualified purchaser's gross receipts from business operations fell below \$100,000 for the last two consecutive years, the qualified purchaser is allowed to close out their qualified purchaser use tax account.

- The BOE has discontinued automatic registration of qualified purchasers. If you meet the requirements of a qualified purchaser, you must eRegister, or register with your local field office.

For more information regarding the Qualified Purchaser Program including detailed information about these changes, please visit our qualified purchaser webpage at [www.boe.ca.gov/taxprograms/qualified\\_purchaser/index.html](http://www.boe.ca.gov/taxprograms/qualified_purchaser/index.html).

## Express Login codes

In an effort to keep your information secure, the BOE began assigning new Express Login codes to some accounts. In August of 2011, the BOE assigned new Express Login codes to accounts that eFile on a monthly basis or that are required to submit prepayments on their quarterly returns. Quarterly filers should have received their notices in September and some yearly filers received notices in December of 2011. The BOE should complete the process of issuing new Express Login codes by July of 2012. These new codes should not affect your ability to eFile using your eClient user ID and password, but if you experience any issues, please contact our Taxpayer Information Section at 800-400-7115 (TTY: 711) weekdays from 8:00 a.m. to 5:00 p.m., Pacific time, except state holidays.

## Volunteer Income Tax Assistance

Do you know someone that needs some help this tax season? The Volunteer Income Tax Assistance (VITA) Program will help eligible taxpayers complete their 2011 tax return for FREE. If your employees earn less than \$50,000 a year, they may be entitled to a \$5,751 tax refund in the form of Earned Income Tax Credit (EITC). These tax refunds will help many struggling workers and families. Further, they boost the local economy as these dollars are spent at local businesses, supporting local jobs.

Please invite your qualified employees to attend FREE Tax Preparation Assistance Events throughout southern and central California.

You can go online at [www.boe.ca.gov](http://www.boe.ca.gov) to find information about eligibility requirements, necessary documents, locations, dates, and times. For more information on events in the Los Angeles area, please visit [www.boe.ca.gov/members/horton/2012/vita.htm](http://www.boe.ca.gov/members/horton/2012/vita.htm) or call 323-980-1221. For information on events in the Sacramento or Fresno area, please visit [www.boe.ca.gov/runner/vita.htm](http://www.boe.ca.gov/runner/vita.htm) or call 211 regarding the Sacramento events.

## New and revised publications August 2011- January 2012

- Pub 8, *California Private Railroad Car Tax Law* 1-12
- Pub 21 Series, *The California State Board of Equalization* 12-11
- Pub 25, *Auto Repair Garages and Service Stations* 8-11
- Pub 34, *Motor Vehicle Dealers* 8-11
- Pub 35, *Interior Designers and Decorators* 1-12
- Pub 37, *Graphic Design, Printing, and Publishing* 10-11
- Pub 39A, *Emergency Telephone Users (911) Surcharge* 1-11
- Pub 41, *Taxes and Fees Administered by the Board of Equalization (2009-2010)* 8-11
- Pub 50A, *California IFTA - Introduction to the International Fuel Tax Agreement* 8-11
- Pub 52, *Vehicles and Vessels: How to Request a Use Tax Clearance for DMV Registration* 8-11
- Pub 66, *Agricultural Industry* 1-12
- Pub 67 Series, *Instructions for Reporting State-Assessed Property* 12-11
- Pub 70, *Understanding Your Rights as a California Taxpayer* 9-11
- Pub 71, *California City and County Sales and Use Tax Rates* 11-11
- Pub 84, *Do You Need a California Fuel Permit or License?* 8-11
- Pub 90, *Environmental Fee* 11-11
- Pub 94, *Occupational Lead Poisoning Prevention Fee* 11-11

Pub 101, *Sales Delivered Outside California* 8-11  
Pub 146, *Sales to American Indians and Sales in Indian Country* 8-11  
Pub 148.2, *Resources to Assist CA Businesses* (Runner) 1-12  
Pub 159CCG, *Credit Card Payment Guide* 12-11  
Pub 160, *Where to File California and Federal Investigative Complaints* 8-11  
Pub 178, *Voluntary Disclosure Program* 12-11  
Pub 201, *Special Taxes and Fees Newsletter* 12-11  
Pub 204, *Special Taxes and Fees Cigarette and Tobacco Products Newsletter* 10-11  
Pub 205, *Motor Carrier Office Newsletter* 12-11  
Pub 216, *The History of the Board - The First 100 Years* 11-11  
Pub 217, *Use Tax: Guide to Reporting Out-of-State Purchases* 8-11 NEW  
Pub 218, *Workforce Planning News* 11-11 NEW  
Pub 219, *Underground Economy* 8-11 NEW  
Pub 306, *2009-10 Annual Report of the Board of Equalization*  
Pub 306A, *BOE Prospectus: Taxes, Fees, Programs, and Services* 12-11 NEW  
Pub 316, *Taxpayers' Rights Advocate's Annual Report* 10-11  
Pub 329, *Economic Perspective* 11-11  
Pub 382A, *Strategic Plan* (trifold) 9-11  
Pub 389, *Taxable Sales in California for 3rd Qtr 2010* 12-11

## Annual Taxpayers' Bill of Rights Hearings to begin

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

The annual business and property taxes hearings for 2012 are scheduled for April 24 in Culver City and June 26 in Sacramento, both starting at approximately 1:30 p.m.

Although you are not required to make advance arrangements to speak, it would help us to prepare if you contact the Taxpayers' Rights Advocate Office at 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 Taxpayers' Rights Advocate Office or visit us 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 2010-11 annual report.

## More articles available online!

There are occasions when we have more articles than we have space for in this print version of the Tax Information Bulletin. The additional articles are available online at [www.boe.ca.gov/news/tib12.htm](http://www.boe.ca.gov/news/tib12.htm). This issue's supplemental articles are: Going green, Fuel tax swap update-diesel sales tax rates, Civil behavior in trying times, Ethics at work- "thank you" is enough, Cadmium in children's jewelry, Express login codes, and New and revised translated publications August 2011-January 2012.

## 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

800-400-7115 (TTY:711)

### Requests for Fax Copies

800-400-7115  
(Choose automated services)

### Seller's Permit Verification

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

### Taxpayers' Rights Advocate

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

### Tax Evasion Hotline

888-334-3300

### State Legislation

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

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