



**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING MINUTES**

**450 N STREET, SACRAMENTO, ROOM 122
JANUARY 8, 2003 1:30 PM**

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2003 Legislative Proposals

PROPERTY TAXES

2003 Legislative Proposals

Set forth below are suggestions for Property Taxes legislation to be sponsored by the Board in the first year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February, 2003.

Old Business For Reconsideration

Suggestion Number

- 1-2** **Amend various sections of the Revenue and Taxation Code and Government Code to specify that the Board directly consult with county assessors rather than the California Assessors' Association prior to taking actions in specified instances.**

Source: Honorable Dean Andal

Revenue Impact: None

Recommendation: Drop

PROPERTY TAXES (continued)

Old Business

**Suggestion
Number**

- 1-3** **Repeal obsolete Section 401.9 of the Property Taxes Law related to the lien date change over from March 1 to January 1 for the 1997-98 fiscal year for certain open space and timberland preserve zone contracts.**

Source: Property and Special Taxes Department and Legal Department

Revenue Impact: None

Recommendation: Adopt

- 1-4** **Repeal obsolete Sections 5098 and 5098.5 of the Property Taxes Law.**

Source: Property and Special Taxes Department and Legal Department

Revenue Impact: None

Recommendation: Adopt

- 1-5** **Amend Sections 75.31 and 534 of the Property Taxes Law to allow certain notice requirements to be Board-approved rather than Board-prescribed.**

Source: Property and Special Taxes Department and Legal Department

Revenue Impact: None

Recommendation: Adopt

PROPERTY TAXES (continued)

New Business

**Suggestion
Number**

- 1-6 Repeal Section 75.30 of the Property Taxes Law to eliminate a notation that a supplemental assessment is pending on the roll being prepared.**

Source: Property and Special Taxes Department and Legal Department

Revenue Impact: None

Recommendation: Adopt

- 1-7 Amend Section 218 of the Property Taxes Law to correct a cross reference error.**

Source: Property and Special Taxes Department and Legal Department

Revenue Impact: None

Recommendation: Adopt

- 1-8 Amend Section 194 of the Property Taxes Law to update the minimum amount of damage to qualify for property tax deferral from \$5,000 to \$10,000.**

Source: Property and Special Taxes Department and Legal Department

Revenue Impact: None

Recommendation: Adopt

PROPERTY TAXES (continued)

New Business

**Suggestion
Number**

- 1-9** **Amend Sections 423 and 439.2 of the Property Taxes Law to change the date by which the Board is required to publish information used to value certain properties.**

Source: Property and Special Taxes Department and Legal Department

Revenue Impact: None

Recommendation: Adopt

- 1-10** **Amend Section 1609.5 of the Property Taxes Law to reimburse the Board for its full costs when employees are subpoenaed at assessment appeals hearings and update the reference from the executive secretary to the executive director.**

Source: Property and Special Taxes Department and Legal Department

Revenue Impact: None

Recommendation: Adopt

- 1-11** **Amend Section 63.1 of the Property Taxes Law to limit decedent "parents" to the birth parents (or the adopted parents) of that grandchild for purposes of qualifying for the grandparent-grandchild change in ownership exclusion.**

Source: Taxpayers' Bill of Rights Annual Report and Hearing

Revenue Impact: Less than \$100,000 per year

Recommendation: Put Over

PROPERTY TAXES (continued)

New Business

**Suggestion
Number**

1-12 Amend Section 69.5 of the Property Taxes Law to allow a base year value transfer on a prospective basis after the three-year time period for filing a claim for a base year value transfer has expired.

Source: Taxpayers' Bill of Rights Annual Report and Hearing

Revenue Impact: Less than \$100,000 per year

Recommendation: Adopt

BUSINESS TAXES

General

2003 Legislative Proposals

Set forth below are suggestions for Business Taxes (general) legislation to be sponsored by the Board in the first year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February, 2003.

Old Business

For Reconsideration

**Suggestion
Number**

2-1 Amend Sections 7093.5, 9271, 30459.1, 32471, 40211, 41171, 43522, 45867, 46622, 50156.11, 55332 and 60636 of the Revenue and Taxation Code to add a record retention period for the public record created for each tax settlement in excess of five hundred dollars (\$500).

Source: Legal Department

Revenue Impact: None

Recommendation: Adopt

BUSINESS TAXES
Sales and Use Taxes

2003 Legislative Proposals

Set forth below are suggestions for Sales and Use Taxes legislation to be sponsored by the Board in the first year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February, 2003.

New Business

**Suggestion
Number**

- 3-1** **Amend Section 6405 of the Sales and Use Tax Law to increase the use tax exemption for the amount of tangible personal property purchased in a foreign country and personally hand carried into this state from \$400 to \$800 to conform with changes in the federal duty free exemption.**

Source: Honorable John Chiang

Revenue Impact: None

Recommendation: Adopt

- 3-2** **Add Section 6487.06 to the Sales and Use Tax Law to allow unregistered in-state purchasers, as defined, to voluntarily report to the Board, under certain stated conditions, untaxed purchases which are subject to the use tax. The period of time for which a deficiency determination may be mailed for such reported use tax is limited to three years.**

Source: Honorable John Chiang

Revenue Impact: \$6 million annual state and local tax increase

Recommendation: Adopt

BUSINESS TAXES (continued)
Sales and Use Taxes

New Business

**Suggestion
Number**

3-3 Amend Section 6459 of the Sales and Use Tax Law to allow for tax payment extensions due to a delayed budget to be effective until the last day of the month following the month in which the budget is adopted.

Source: Sales and Use Tax Department

Revenue Impact: None

Recommendation: Adopt

3-4 Amend Section 1653.5 of the Vehicle Code to allow the Board to access the social security number data maintained by the Department of Motor Vehicles.

Source: Sales and Use Tax Department

Revenue Impact: None

Recommendation: Put Over- Staff to develop guidelines to restrict access to Social Security numbers to specified employees.

BUSINESS TAXES
Special Taxes

2003 Legislative Proposals

Set forth below are suggestions for Special Taxes legislation to be sponsored by the Board in the first year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February, 2003.

Old Business
For Reconsideration

Suggestion
Number

- 4-1** **Amend Sections 8105 and 60507 of the Revenue and Taxation Code to extend the period for filing a refund on tax-paid fuel.**

Source: Honorable Claude Parrish

Revenue Impact: None. Intended to eliminate Board of Control process.

Recommendation: Adopt

- 4-2** **Amend Section 7326 of the Motor Vehicle Fuel Tax Law to exclude “racing fuel” from the definition of “motor vehicle fuel”.**

Source: Legal Department

Revenue Impact: None

Recommendation: Adopt

BUSINESS TAXES (continued)
Special Taxes

Old Business
For Reconsideration

Suggestion
Number

4-3 **Amend Section 60022 of the Diesel Fuel Tax Law to correct an inadvertent drafting error.**

Source: Fuel Taxes Division

Revenue Impact: None

Recommendation: Adopt

4-4 **Amend Sections 60604 and 60606 of the Diesel Fuel Tax Law to add the terms qualified highway vehicle operator, highway vehicle operator/fueler, pipeline operator, and vessel operator to the record section of the Diesel Fuel Tax Law.**

Source: Fuel Taxes Division

Revenue Impact: None

Recommendation: Adopt

ADMINISTRATION

2003 Legislative Proposals

Set forth below are suggestions for Administration legislation to be sponsored by the Board in the first year of the 2003-2004 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February, 2003.

Old Business For Reconsideration

Suggestion Number

- 5-1** Amend Section 19131 of the Personal Income Tax Law to provide a rebuttable presumption that the late filing penalty does not apply when, under certain circumstances, the corresponding federal late filing penalty is determined not to apply.

Source: Honorable Dean Andal

Revenue Impact: According to FTB, under \$500,000 annually.

Recommendation: Adopt

New Business

Suggestion Number

- 5-2** Add Section 483.7 to the Penal Code to make it a crime to use any badge, identification card, or other insignia of any department or agency of the State of California for fraudulent purposes. Amend Section 530.5 of the Penal Code to make it a felony to obtain personal identifying information using a fraudulent federal, state, or local government form.

Source: Honorable John Chiang

Revenue Impact: None

Recommendation: Adopt as amended to allow discretion for Section 530.5 violations to be a misdemeanor or felony.

Approved: /s/ Carole Migden
Carole Migden, Chair

/s/ James E. Speed
James E. Speed, Executive Director

BOARD APPROVED

at the 01/09/03 Board Meeting

/s/ Deborah Pellegrini
Deborah Pellegrini, Chief
Board Proceedings Division