



BOARD OF EQUALIZATION  
 LEGISLATIVE COMMITTEE MEETING AGENDA  
 HONORABLE JUDY CHU, CHAIRWOMAN  
 450 N STREET, SACRAMENTO, ROOM 121  
 JANUARY 21, 2009 1:30 PM

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----- Agenda -----

## 2009 Legislative Proposals

### BUSINESS TAXES 2009 Legislative Proposals

Set forth below are suggestions for Business Taxes legislation to be sponsored by the Board in the first year of the 2009-2010 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February 2009.

#### Suggestion Number

[2-2](#)

PULLED

~~Add Section 524 to the Evidence Code to specify that the burden of proof is with the Board in any assertion of penalties for intent to evade or fraud and require a clear and convincing evidence standard for such assertions, as specified.~~

~~Source: Honorable Bill Leonard~~

~~Revenue Impact: Negligible~~

[2-3](#)

PUT OVER

~~Add Section 525 to the Evidence Code to specify that in a court of law any assertion of penalties (other than intent to evade or fraud) requires a preponderance of the evidence standard for such penalties and the burden of proof is placed on the Board in its assertion of such penalties.~~

~~Source: Honorable Bill Leonard~~

~~Revenue Impact: Negligible~~

[2-4](#)

PUT OVER

~~Add Part 10.1 (commencing with Section 15706) to Division 3 of Title 2 of the Government Code to specify that the Board and the Franchise Tax Board (FTB) shall have the burden of proof in any court or administrative tax proceeding, with respect to a factual issue related to ascertaining the tax liability of a taxpayer that has established that it is a cooperating taxpayer, as defined.~~

~~Source: Honorable Bill Leonard~~

~~Revenue Impact: Potential loss but undeterminable~~

## **BUSINESS TAXES SALES AND USE TAXES**

### **2009 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 2009-2010 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February 2009.

#### **Suggestion Number**

- 3-7** Amend Revenue and Taxation Code Sections 6011 and 6012 to eliminate the sales and use tax exclusion for separately stated charges for transportation.

Source: Honorable Betty Yee

Revenue Impact: Annual \$33 million state and local revenue increase

- 3-8** Amend Revenue and Taxation Code Section 6018.6 to provide that specified garment cleaning establishments shall be regarded as consumers, rather than retailers, of tangible personal property they sell, provided those sales do not exceed one-half of one percent of their total gross receipts for the preceding calendar year.

Source: Honorable Betty Yee

Revenue Impact: Annual \$11,000 state and local revenue loss

**BUSINESS TAXES  
SPECIAL TAXES**

**2009 Legislative Proposals**

Set forth below are suggestions for Special Taxes legislation to be sponsored by the Board in the first year of the 2009-2010 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February 2009.

**Suggestion  
Number**

**4-1** ~~Amend Revenue and Taxation Code Section 30141 to revise the minimum amount of security required from a cigarette distributor from \$1,000 per licensed location to an amount determined by the Board and add security release requirements consistent with other Board-administered programs. Also amend Section 30142 to remove provisions not related to the security requirements for purchasing cigarette tax stamps on credit.~~

**PULLED**

~~Source: Excise Taxes Division~~

~~Revenue Impact: Negligible~~

**4-2** Amend Revenue and Taxation Code Sections 7339 and 60003 of the Motor Vehicle Fuel and Diesel Fuel Tax Laws, respectively, to redefine a terminal to include a fuel production facility with storage so that facilities outside the bulk transfer system have the same licensing and reporting requirements as terminals supplied by pipeline or vessel.

Source: Fuel Taxes Division

Revenue Impact: Potential gain but undeterminable

**4-3** Amend Revenue and Taxation Code Sections 60501 and 60508, and repeal Sections 60508.1, 60508.2, 60508.4, and 60509, to allow a supplier of diesel fuel to file a claim for refund or claim a credit on their supplier return on behalf of retailers for qualified sales to consulate officers or consulate employees, or to the United States and its agencies and instrumentalities.

**Consent**

Source: Fuel Taxes Division

Revenue Impact: None

**4-4**

**Amends Revenue and Taxation Code Sections 60022 and 60023 to clarify that the definition of “diesel fuel” includes biodiesel, other biomass-based diesel fuel, and blends. Also adds Sections 60022.1, 60022.2, 60022.3, 60022.4 and 60023.1 to define biodiesel, biomass, biomass-based diesel, petroleum-based diesel, and raw vegetable oil, respectively.**

Source: Fuel Taxes Division

Revenue Impact: Potential gain but undeterminable

**4-5**

**Consent**

**Add Section 55041.1 to the Revenue and Taxation Code to require annual fee payers under programs administered pursuant to the Fee Collection Procedures Law to file a closing return when they close or sell their business.**

Source: Environmental Fees Division

Revenue Impact: Potential gain but undeterminable

## **ADMINISTRATION**

### **2009 Legislative Proposal**

Set forth below is a suggestion for administrative legislation to be sponsored by the Board in the first year of the 2009-2010 Legislative Session (see attachments). Additional suggestions will be included on the agenda for February 2009.

#### **Suggestion Number**

**5-2**

**Amend Vehicle Code Section 1808.4 to add the Board's limited peace officers to the list of public employees and officials whose home addresses are granted enhanced confidentiality by the Department of Motor Vehicles.**

Source: Investigations Division

Revenue Impact: None