



**BOARD OF EQUALIZATION  
LEGISLATIVE COMMITTEE MEETING AGENDA  
HONORABLE JEROME HORTON, CHAIR  
450 N STREET, SACRAMENTO, ROOM 121  
NOVEMBER 16, 2010 10:00 AM**

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**----- Agenda -----**

**I. 2011 LEGISLATIVE PROPOSALS; FOR DISCUSSION ONLY.  
PROPOSALS TO BE VOTE ON IN JANUARY 2011.**

**BUSINESS TAXES**

**2011 Legislative Proposals**

Set forth below are suggestions for Business Taxes legislation to be sponsored by the BOE in the first year of the 2011-12 Legislative Session (see attachments). Additional suggestions will be included on the agenda for December 2010.

**Suggestion  
Number**

[2-1](#) Amend Section 6591.5 of the Revenue and Taxation Code to revise the interest calculation provisions in the tax and fee programs the BOE administers so that the rate of interest allowed on refunds of tax and fee overpayments is the same as that calculated on late payments.

Source: Honorable Michele Steel

Revenue Impact: If provisions had been in effect in FY 2008-09, would have resulted in credit interest payments of approximately \$26 million for BOE administered tax and fee programs.

2-2 Amend Revenue and Taxation Code Section 6829 of the Sales and Use Tax Law to include imposition of personal liability on responsible persons of a closely held corporation or closely held limited liability company (LLC) for liabilities arising during a period of suspension of that closely held corporation or closely held LLC, but only if the corporation or LLC is not revived within 60 days of the imposition of the suspension. Further, add statutes comparable to Section 6829, as amended, to those BOE-administered special tax and fee programs where circumstances would warrant the imposition of personal liability on an officer, partner, member, manager, or other person having control or supervision of, or who is charged with the responsibility for the filing of returns or the payment of taxes or fees for a corporation, partnership, limited partnership, limited liability partnership, or LLC that has been terminated, dissolved or abandoned or on a responsible person of a closely held corporation or closely held LLC that has been suspended without being timely revived.

Source: Legal Department, Sales and Use Tax Department, and Property and Special Taxes Department.

Revenue Impact: An increase in collections of delinquent accounts receivables of approximately \$800,000, primarily in the Special Taxes and Fees programs.

2-3 ~~Amend Revenue and Taxation Code Sections 6480.1 and 60116 of the Sales and Use Tax Law and Diesel Fuel Tax Law, respectively, to make technical and administrative changes related to the fuel tax swap legislation. Both the prepayment rate of the sales tax and the Interstate User rate for diesel fuel have adjustment dates that would be changed to coincide with the annual diesel and gasoline fuel excise tax rate adjustment, as specified in the fuel tax swap bills.~~

**Put  
Over**

~~Source: Sales and Use Tax Department and Special Taxes and Fees Division~~

~~Revenue Impact: None~~

**BUSINESS TAXES  
SALES AND USE TAXES**

**2011 Legislative Proposals**

Set forth below are suggestions for Sales and Use Taxes legislation to be sponsored by the BOE in the first year of the 2011-12 Legislative Session (see attachments). Additional suggestions will be included on the agenda for December 2010.

**Suggestion  
Number**

[3-1](#) Amend Revenue and Taxation Code Section 6203 of the Sales and Use Tax Law to expand the definition of “retailer engaged in business in this state” for purposes of enforcing California’s Use Tax Law to the fullest extent.

Source: Honorable Betty T. Yee

Revenue Impact: State and local use tax revenue gain of potentially \$11 million to \$55 million annually.

[3-2](#) Add Revenue and Taxation Code Section 6593.7 to the Sales and Use Tax Law to authorize the Members of the BOE, meeting as a public body, to relieve all or any part of interest imposed on a late payment if the Members find, in their discretion, that a person’s late payment was due to extraordinary circumstances and that it is inequitable to compute interest as the law requires, under specified circumstances.

Source: Honorable Michelle Steel

Revenue Impact: Indeterminable.

[3-3](#) Amend Revenue and Taxation Code Sections 6055 and 6203.5 of the Sales and Use Tax Law to remove the requirement that retailers and lenders file an election form with the BOE prior to claiming a bad debt in the case of accounts held by a lender that have been found worthless and written off by the lender.

Source: Sales and Use Tax Department

Revenue Impact: None.

[3-4](#) Amend Civil Code Section 1793.25 to allow the BOE to reimburse a manufacturer of a new motor vehicle for the use tax the manufacturer refunds to a buyer or lessee when the new motor vehicle is reacquired by the manufacturer pursuant to California's "Lemon Law."

Source: Legal Department

Revenue Impact: None.

[3-5](#) Amend Business and Professions Code Section 7145.5 to authorize the BOE to request the Contractor's State License Board for a denial or suspension of a contractor's license for failure to resolve any outstanding final tax or fee liabilities.

Source: Sales and Use Tax Department

Revenue Impact: Increases ability to collect on \$55 million in outstanding liabilities owed by construction contractors.

[3-6](#) Amend Unemployment Insurance Code Section 1088.5 to allow the BOE to use the new employee registry information maintained by the Employment Development Department for tax enforcement purposes.

Source: Sales and Use Tax Department

Revenue Impact: Estimated \$500,000 annually.

**BUSINESS TAXES  
SPECIAL TAXES AND FEES**

**2011 Legislative Proposals**

Set forth below are suggestions for Special Taxes and Fees legislation to be sponsored by the BOE in the first year of the 2011-12 Legislative Session (see attachments). Additional suggestions will be included on the agenda for December 2010.

**Suggestion  
Number**

[4-1](#) Amend Revenue and Taxation Code Sections 41031 and 41032 of the Emergency Telephone Users Surcharge Law to remove the requirement for the BOE to publish in its meeting minutes the emergency telephone users surcharge rate set by the California Technology Agency (CTA).

Source: Special Taxes and Fees Division

Revenue Impact: None.

## **ADMINISTRATION**

### **2011 Legislative Proposals**

Set forth below are suggestions for legislation to be sponsored by the BOE in the first year of the 2011-12 Legislative Session (see attachments). Additional suggestions could be included on the agenda for December 2010.

#### **Suggestion Number**

[5-1](#) Amend Government Code Sections 17280.1 and 17280.2 to specifically provide that the BOE shall accept registered warrants as payment for any tax, surcharge, or fee liability to the BOE if the registered warrant is issued specifically to that tax, fee, or surcharge payer.

Source: Honorable Betty T. Yee

Revenue Impact: None.

## **II. TABLE OF SECTIONS SCHEDULED TO SUNSET BY JANUARY 1, 2013**

[Notification of law sections administered by the BOE that will sunset by January 1, 2013.](#)