



**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING AGENDA
HONORABLE JEROME HORTON, CHAIR
450 N STREET, SACRAMENTO, ROOM 121
NOVEMBER 17, 2009 9:30 AM**

----- Minutes -----

I. 2010 Legislative Proposals

PROPERTY TAXES

2010 Legislative Proposals

Set forth below are suggestions for Property Taxes legislation to be sponsored by the Board in the second year of the 2009-10 Legislative Session (see attachments). Additional suggestions will be included on the agenda for December 2009.

**Suggestion
Number**

1-1

CONSENT

Amend Revenue and Taxation Code Sections 61 and 5096 to (1) correct a renumbering error and (2) correct a cross reference error. (Technical – Maintenance of the Codes)

Source: Property and Special Taxes Department

Revenue Impact: None

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (5-0)

1-2

CONSENT

Amend Revenue and Taxation Code Sections 63.1 and 69.5, related to (1) the parent-child change in ownership exclusion and (2) base year value transfers for those over 55, to clarify instances when the real property is held in a trust. (Housekeeping)

Source: Property and Special Taxes Department

Revenue Impact: None

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (5-0)

1-3
CONSENT **Amend Revenue and Taxation Code Section 218 to replace specified disasters with a generic overall provision to retain homeowners' exemption on properties destroyed in governor-declared disasters.**

Source: Property and Special Taxes Department

Revenue Impact: None

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (5-0)

1-4
Amend Revenue and Taxation Code Section 276.1 to extend from 30 days to 90 days the time for a disabled veteran to file a claim to receive the disabled veterans' exemption retroactively to the effective date of disability in cases where the necessary disability rating letter issued by the United States Department of Veterans Affairs is not timely.

Source: Property and Special Taxes Department

Revenue Impact: Negligible

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (5-0)

1-5
DROPPED ~~**Amend Revenue and Taxation Code Section 1611 to update language related to methods that a county assessment appeals board must use to record its hearings and, if requested, make a copy available to the appellant, in order to reflect technological advances.**~~

~~Source: Property and Special Taxes Department~~

~~Revenue Impact: None~~

**BUSINESS TAXES
SALES AND USE TAXES****2010 Legislative Proposals**

Set forth below are suggestions for Sales and Use Taxes legislation to be sponsored by the Board in the second year of the 2009-10 Legislative Session (see attachments). Additional suggestions will be included on the agenda for December 2009.

**Suggestion
Number**

- 3-1** Add Section 6225.1 to the Revenue and Taxation Code to allow the Board to register certain persons that incur a use tax liability on a regular basis, who are not otherwise required to be registered.

Source: Sales and Use Tax Department

Revenue Impact: \$165,000 Annually

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (3-2)

- 3-2** Amend Revenue and Taxation Code Sections 6452.1, 6453, 6487.3, and 18510 to eliminate the sunset date of December 31, 2009, in order to continue to require the Franchise Tax Board to provide a line for payment of use tax on the state income tax returns.

Source: Sales and Use Tax Department

Revenue Impact: \$9 million was collected through this program in 2008.

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (3-2)

- 3-3** Amend Business and Professions Code Section 7145.5 to authorize the Board 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 \$68 million in outstanding liabilities owed by construction contractors.

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (3-2)

3-4

Amend Unemployment Insurance Code Section 1088.5 to allow the Board 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: Undeterminable but enhances ability to locate missing taxpayers and collect delinquent taxes.

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (3-2)

**BUSINESS TAXES
SPECIAL TAXES AND FEES**

2010 Legislative Proposals

Set forth below are suggestions for Special Taxes and Fees legislation to be sponsored by the Board in the second year of the 2009-10 Legislative Session (see attachments). Additional suggestions will be included on the agenda for December 2009.

**Suggestion
Number**

4-1 Amend Revenue and Taxation Code Sections 41030, 41031, 41032, 41136, 41136.1, 41137, 41137.1, 41138, 41139, 41140, 41141, 41142, 45855, 45863, 45981, and 45982 and amend Public Resources Code Section 42463 to reflect recent changes in California state government organizational structure. (Technical)

CONSENT

Source: Property and Special Taxes Department

Revenue Impact: None

COMMITTEE RECOMMENDATION: Motion to Adopt – Passed (5-0)

II. TABLE OF SECTIONS SCHEDULED TO SUNSET BY JANUARY 1, 2012

Notification of law sections administered by the Board that will sunset by January 1, 2012

Put over December 15 Board meeting for staff to develop recommendations

III. FINAL STATUS OF PROPOSALS FOR BOARD-SPONSORED LEGISLATION IN 2009

Report on final status of proposals for Board-Sponsored Legislation in 2009.

**BOARD OF EQUALIZATION
BOARD COMMITTEE ON LEGISLATION
November 17, 2009**

Attending: Honorable Jerome Horton, Chair - Honorable Betty T. Yee, Honorable Bill Leonard, Honorable Michelle Steel, and Marcy Jo Mandel

| <u>Suggestion No.</u> | <u>Horton</u> | <u>Yee</u> | <u>Leonard</u> | <u>Steel</u> | <u>Chiang/Mandel</u> | <u>Committee Recommendation</u> |
|-----------------------|----------------|------------|----------------|--------------|----------------------|---------------------------------|
| PROPERTY TAXES | | | | | | |
| 1-1 | CONSENT | | | | | ADOPT (5-0) |
| 1-2 | CONSENT | | | | | ADOPT (5-0) |
| 1-3 | CONSENT | | | | | ADOPT (5-0) |

| <u>Suggestion No.</u> | <u>Horton</u> | <u>Yee</u> | <u>Leonard</u> | <u>Steel</u> | <u>Chiang/Mandel</u> | <u>Committee Recommendation</u> |
|---|---------------|------------|----------------|--------------|----------------------|---------------------------------|
| PROPERTY TAXES | | | | | | |
| 1-4 | Y | Y | Y | Y | Y | ADOPT (5-0) |
| 1-5 | DROPPED | | | | | NONE |
| BUSINESS TAXES SALES AND USE TAXES | | | | | | |
| 3-1 | Y | Y | N | N | Y | ADOPT (3-2) |
| 3-2 | Y | Y | N | N | Y | ADOPT (3-2) |
| 3-3 | Y | Y | N | N | Y | ADOPT (3-2) |
| 3-4 | Y | Y | N | N | Y | ADOPT (3-2) |

| <u>Suggestion No.</u> | <u>Horton</u> | <u>Yee</u> | <u>Leonard</u> | <u>Steel</u> | <u>Chiang/Mandel</u> | <u>Committee Recommendation</u> |
|--|---------------|------------|----------------|--------------|----------------------|---------------------------------|
| BUSINESS TAXES SPECIAL TAXES AND FEES | | | | | | |
| 4-1 | CONSENT | | | | | ADOPT (5-0) |


Approved: _____

Mr. Jerome Horton, Chair
Board Member
Board Legislative Committee



Ramon J. Hirsig, Executive Director

BOARD APPROVED

11/19/09
at the November 19, 2009 Board Meeting



Diane Olson, Chief
Board Proceedings Division