



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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March 25, 2013

The Honorable Raul Bocanegra, Chair
Assembly Revenue and Taxation Committee
1020 N Street, Room 167A
Sacramento, CA 95814

Dear Assembly Member Bocanegra:

Assembly Bill 1222 (Bloom) is set for hearing in the Assembly Revenue and Taxation Committee on April 15, 2013. **This bill is sponsored by the Board of Equalization** (BOE) to update the amount of temporary relief taxpayers receive when a levy threatens their health and welfare. The bill increases from \$1,500 to \$2,300 the levy amount the BOE's Taxpayers' Rights Advocate (TRA) is authorized to return to a taxpayer. The bill also adds levy return authority to the remaining BOE-administered tax and fee programs that currently lack it.

Return Authority Mitigates Extreme Hardship. The BOE is authorized to levy bank accounts to collect delinquent amounts. In rare cases, the TRA orders the return of levied funds to a taxpayer to provide for the taxpayer's basic needs. However, the TRA has no authority to relieve the taxpayer's liability. Moreover, the TRA may order funds returned only when the taxpayer can demonstrate that a levy threatens the health or welfare of the taxpayer or the taxpayer's family.

Inflation Adjustment is Necessary. The return amount has not been increased since 1996, when the return authority first became effective. Increasing the return amount from \$1,500 to \$2,300 accounts for inflation since 1996 and provides a mechanism to ensure that the return amount keeps pace with the cost of living.

Applies Return Authority Consistently. The TRA has return authority with respect to all BOE-administered tax programs except the Cigarette and Tobacco Products Tax Law and the Fee Collection Procedures Law. This measure provides consistent return authority to the TRA for all BOE-administered tax and fee programs.

If you have any questions or need additional information regarding this bill, please contact our Legislative Counsel, Michele Pielsticker, at (916) 322-2376.

Sincerely,

Cynthia Bridges
Executive Director

CB:ap

cc: The Honorable Richard Bloom
The Honorable Brian Dahle, Vice Chair
The Honorable Richard Gordon
The Honorable Diane Harkey
The Honorable Kevin Mullin
The Honorable Brian Nestande
The Honorable Richard Pan
The Honorable Manuel Perez
The Honorable Phil Ting
Mr. David Ruff, Principal Consultant, Assembly Revenue and Taxation Committee
Ms. Julia King, Assembly Republican Caucus