



*California State Board of Equalization,
Legislative and Research Division*

LEGISLATIVE BULLETIN



State Capitol Building (from the East) c.1945
Photo courtesy of California State Archives

SPECIAL TAXES AND FEES LEGISLATION 2013

SPECIAL TAXES AND FEES LEGISLATION
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Assembly Bill 8 (Perea) Chapter 401
California Tire Fee: Rate Extension

Urgency statute: effective September 28, 2013. Among its provisions, amends Sections 42885 and 42889 of the Public Resources Code.

BILL SUMMARY

Among other provisions, this bill maintains the California tire fee at \$1.75 per tire until January 1, 2024. Without a change, the rate is scheduled to be reduced from \$1.75 to \$0.75 per tire beginning January 1, 2015.

Sponsor: CALSTART, California Air Pollution Control Officers Association, and the American Lung Association

LAW PRIOR TO AMENDMENT

Public Resources Code (PRC) Section 42885 imposes a California tire fee of one dollar and seventy-five cents (\$1.75) per tire on every person who purchases a new tire. Beginning January 1, 2015, the tire fee is reduced to seventy-five cents (\$0.75) per tire.

Retailers are required to collect the tire fee from the purchaser at the time of sale. A retailer may deduct 1.5% of the total tire fees collected as reimbursement for costs of fee collection and remit the remaining fees to the BOE for deposit in the California Tire Recycling Management Fund. The percentage of reimbursement for retailers' costs of fee collection will be raised to 3% beginning January 1, 2015.

PRC Section 42889 requires the BOE to transfer seventy-five cents (\$0.75) of the fee per tire to the Air Pollution Control Fund, administered by the State Air Resources Board (ARB). The annual Budget Act appropriates the remainder in the California Tire Recycling Management Fund to the Department of Resources Recycling and Recovery (CalRecycle). The funding for the waste tire program will only be appropriated to CalRecycle on and after January 1, 2015.

The BOE administers and collects the California tire fee on behalf of CalRecycle and ARB in accordance with the Fee Collection Procedures Law.¹

AMENDMENT

This bill amends PRC Section 42885 to set the California tire fee at \$1.75 per tire until January 1, 2024. The bill also amends PRC 42889 to continue transfers of \$0.75 per tire to the Air Pollution Control Fund until January 1, 2024.

BOE functions are not affected by other provisions in the bill. Unrelated provisions include air quality improvement projects, clean transportation technologies and alternative fuel programs.

This bill is effective September 28, 2013 and maintains the current rate.

¹ Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code.

BACKGROUND

In 2006 the Legislature passed Assembly Bill 1803 (Ch. 77, Stats. 2006), a budget trailer bill that implemented the Resources and Environmental Protection Budget. The bill maintained the tire fee at \$1.75 per tire until January 1, 2015, and provided a substantial and long-term funding source to the ARB for air pollution reduction programs and projects. At that time, PRC Section 42885 imposed a tire fee of \$1.75 per tire, as of January 1, 2005, on every person who purchased a new tire. The rate was scheduled to be reduced to \$1.50 per tire as of January 1, 2007, and to remain at that rate until January 1, 2015.

COMMENTS

1. **Purpose.** This bill intends to extend the funding sources for air quality improvement projects.
2. **This bill maintains the current tire fee rate of \$1.75 to January 1, 2024.** As explained, without further legislation, the rate is schedule to be reduced from \$1.75 to \$0.75 per tire beginning January 1, 2015. BOE staff does not foresee administrative difficulty with continuing the current fee rate.

Senate Bill 78 (Committee on Budget and Fiscal Review) Chapter 33
Insurance Tax – Medi-Cal Managed Care Plans

Urgency statute: effective June 27, 2013. Among its provisions, adds Section 12009 and Article 4 (commencing with Section 12240) to, adds and repeals Section 12207 of, and repeals, adds and repeals, and adds Sections 12201, 12204, 12251, 12253, 12254, 12257, 12258, 12260, 12301, 12302, 12303, 12304, 12305, 12307, 12412, 12413, 12421, 12422, 12423, 12427, 12428, 12429, 12431, 12433, 12434, 12491, 12493, 12494, 12601, 12602, 12631, 12632, 12636, 12636.5, 12679, 12681, 12801, 12951, 12977, 12983, and 12984 of, the Revenue and Taxation Code.

BILL SUMMARY

Among other things, this 2013-14 budget trailer bill does all of the following:

- Contingent upon specified federal participation and approval, imposes a 3.9375% sales tax on gross receipts derived from Medi-Cal managed care plans sold at retail in this state on and after July 1, 2013 to July 1, 2016, and
- Extends the insurance gross premiums tax on Medi-Cal managed care plans, from July 1, 2012, to July 1, 2013.

Sponsor: Committee on Budget & Fiscal Review

LAW PRIOR TO AMENDMENT

Sales Tax. Except where the law provides a specific exemption or exclusion, California's Sales and Use Tax Law¹ imposes the sales tax on all retailers for the privilege of selling tangible personal property at retail in this state or the use tax on the storage, use, or other consumption in this state of tangible personal property purchased from a retailer.

California's sales and use tax rates. Effective January 1, 2013, California imposes a statewide 7.5% sales and use tax on tangible personal property sales and purchases. The table below shows California's various sales and use tax rate components (the table excludes voter-approved city and county district taxes):

Rate	Jurisdiction	Purpose/Authority
3.9375%	State (General Fund)	State general purposes (Revenue and Taxation Code (RTC) Sections 6051, 6051.3, 6201, and 6201.3)
1.0625%	Local Revenue Fund 2011	Realignment of local public safety services (RTC Sections 6051.15 and 6201.15)
0.25%	State (Fiscal Recovery Fund)	Repayment of the Economic Recovery Bonds (RTC Sections 6051.5 and 6201.5)
0.25%	State (Education Protection Account)	Schools and community college funding (Section 36, Article XIII, State Constitution)

¹ Part 1 of Division 2 (commencing with Section 6001) of the Revenue and Taxation Code (RTC).

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Rate	Jurisdiction	Purpose/Authority
0.50%	State (Local Revenue Fund)	Local governments to fund health and welfare programs (RTC Sections 6051.2 and 6201.2)
0.50%	State (Local Public Safety Fund)	Local governments to fund public safety services (Section 35, Article XIII, State Constitution)
1.00%	Local (City/County) 0.75% City and County 0.25% County	City and county general operations (RTC Section 7203.1, operative 7/1/04); Dedicated to county transportation purposes
7.50%	Total Statewide Rate	

Insurance Tax. The California Constitution² imposes a 2.35% tax on insurers doing business in California. Commonly referred to as the “gross premiums tax,” the annual insurance tax is based on insurers’ gross premiums, less return premiums. The California Constitution specifies that the 2.35% tax is in lieu of all other taxes and licenses, with specified exceptions. Any person that meets this constitutional provision’s “insurer” definition must register with the Department of Insurance (DOI) and remit the annual gross premiums tax.

Medi-Cal Managed Care Plans. As defined in the Constitution, “insurer” does not expressly include a health care service plan, such as a Medi-Cal managed care plan. The Knox-Keene Health Care Service Plan Act covers these providers. Therefore, these plans are not generally prohibited from other taxation.

Existing law³ defines a “Medi-Cal managed care plan” to mean any individual, organization, or entity, other than an insurer or a dental managed care plan, that enters into a specified contract with the State Department of Health Care Services (DHCS), as described.

The “in lieu of” provision that currently exempts insurers from all other state and local taxes and licenses (with certain specified exceptions) does not apply to a Medi-Cal managed care plan. Accordingly, Medi-Cal managed care plans continue to be subject to other state, county, and municipal taxes and licenses, as applicable.

Until July 1, 2012, existing law⁴ imposes a 2.35% annual tax on every Medi-Cal managed care plan doing business in this state. The tax revenues are remitted to the DOI, and are continuously appropriated to the DHCS for the Medi-Cal program in an amount equal to the difference between 100% and the applicable federal medical assistance percentage, with the balance appropriated to the Managed Risk Medical Insurance Board for purposes of the Healthy Families Program.

This Medi-Cal managed care plan tax is imposed on the “total operating revenues,” which means all premium or capitation payments a Medi-Cal managed care plan receives for health care services, including, but not limited to, Medi-Cal services. Total operating revenues do not include amounts Medi-Cal managed care plans receive pursuant to a subcontract with a Medi-Cal managed care plan to provide Medi-Cal beneficiaries health care services.

² Article XIII, Section 28.

³ RTC Section 12009.

⁴ RTC Section 12201.

AMENDMENT

Among other things, this bill adds RTC Article 5 (commencing with Section 6174) to do the following:

- From July 1, 2013 until July 1, 2016, impose a 3.9375% sales tax on sellers of Medi-Cal health care services at retail, measured by the gross receipts from the sale of those services.
- For efficient administration of the tax, require sellers that are actively engaged in the retail sale of Medi-Cal health care services to register, report, and pay the tax to the BOE.
- Specify that sales tax prepayments shall not apply to sellers until no later than three months after the date that federal financial participation is available and any necessary federal approvals are obtained.
- Define “seller” to mean any person, other than specified insurers and dental managed care plans, or any entity that enters into a contract with the DHCS pursuant to specified provisions.
- Define “gross receipts” to mean the total premium or capitation payments Medi-Cal managed care plan sellers receive for health care services coverage or provision, including, but not limited to, Medi-Cal services. Excludes amounts received pursuant to a subcontract with a Medi-Cal managed care plan to provide health care services to Medi-Cal beneficiaries.
- Require the proposed tax revenues to be deposited in the State Treasury to the credit of the Children’s Health and Human Services Special Fund.
- Prohibits counties, cities and districts from imposing a sales or use tax on the gross receipts described in the bill.
- Specifies that this article shall be implemented only if and to the extent that federal financial participation under specified federal law is available and any necessary federal approvals have been obtained. This article is automatically repealed if it is delayed based upon a challenge under federal law.
- Specifies that this article shall have no force or effect if there is a final judicial determination made by any state or federal court that is not appealed, in any action by any party, or a final determination by the administrator of the federal Centers for Medicare and Medicaid Services, that disallows, defers, or alters the implementation of this article.

The bill also makes numerous changes to the Tax on Insurers Law⁵ to restore the 2.35% gross premiums tax on every Medi-Cal managed care plan in this state, from July 1, 2012 to July 1, 2013.

As an urgency bill, these provisions take effect immediately, but the imposition of the sales tax is contingent upon specified federal participation and approval.

⁵ Part 7, Division 2 (commencing with Section 12201) of the RTC.

IN GENERAL

Medi-Cal is California's Medicaid program. The [DHCS's website](#) describes Medi-Cal as a public health insurance program which provides needed health care services for low-income individuals including families with children, seniors, persons with disabilities, foster care, pregnant women, and low income people with specific diseases such as tuberculosis, breast cancer, or HIV/AIDS. The state and federal government finance Medi-Cal equally .

BACKGROUND

In 2009, Assembly Bill 1422⁶ subjected the Medi-Cal managed care plans' total operating revenues to the 2.35% insurance gross premiums tax, until December 31, 2010. In 2010, Assembly Bill 853⁷ extended the gross premiums tax on Medi-Cal managed care plans to July 1, 2011. Subsequently, Assembly Bill x1 21⁸ extended the sunset date to July 1, 2012. This Medi-Cal managed care plan tax expired July 1, 2012.

COMMENTS

- 1. Purpose.** Among other things, this 2013-14 Budget trailer bill intends to increase tax revenues to draw down federal Medi-Cal funds. These federal Medi-Cal funds will be used to pay back Medi-Cal managed care plan providers and to offset General Fund expenditures for Medi-Cal managed care rates for children, seniors, the disabled, and other eligible persons.
- 2. The State pays for the plans.** According to the Department of Finance, 24 managed health care plan providers will be subject to the proposed tax, and the State, rather than the beneficiaries, will pay the premiums for these plans. These 24 providers, who had been remitting the gross premiums tax to the DOI, will now be required to remit the 3.9375% sales tax to the BOE.
- 3. Bill requires providers to report their tax obligations three times more frequently.** Currently, if the *annual* tax liability is \$5,000 or more, Medi-Cal managed care plan providers are required to make quarterly prepayments to the DOI on or before April 1, June 1, September 1, and December 1.

This bill requires these providers to file returns quarterly, generally by April 30, July 31, October 31, and December 31. However, if their taxable gross receipts average \$17,000 or more per month (equal to a *monthly* tax liability of \$4,794 or more, or \$57,528 in tax annually⁹), the providers must, in addition to the quarterly returns, make two prepayments within each quarter.

- 4. What if federal approvals occur after return or prepayment due dates?** The tax becomes operative on July 1, 2013. However, the bill specifies that the provisions shall be implemented only if and to the extent federal financial participation and approvals have occurred. If federal participation and approvals occur *after* the first tax reporting date, will sellers be subject to delinquency charges if they have not remitted the tax? Current law automatically imposes a 10% penalty on the late payment (6% for late prepayments) and 6% interest annually. Although penalty relief is available,

⁶ Ch. 157, Stats. 2009.

⁷ Ch. 717 Stats. 2010.

⁸ Ch. 11 Stats. 2011.

⁹ \$17,000 x 12 months x 2.35% = \$4,794 per month x 12 months = \$57,924.

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the law¹⁰ requires sellers seeking relief to file a statement under penalty of perjury setting forth the grounds for relief.

5. **Bill doesn't provide the BOE or affected sellers with much lead time.** Although the bill specifies that sales tax prepayments shall not apply to sellers "until no later than three months" after the date federal approval is obtained, the tax is implemented the date the federal approval is made. This provides virtually no time to enable the BOE to provide affected sellers with tax reporting and remittance instructions.
6. **The bill's language is patterned after a similar in-home support services (IHSS) sales tax.** In 2009, legislation¹¹ was enacted to impose a sales tax on IHSS providers, measured by the providers' gross receipts from their services. Similar to this bill, this tax will only become operative if specified federal approval requests for matching funds are granted. To date, federal approval has not occurred, and the BOE has not yet implemented the tax.
7. **The BOE staff does not foresee any administrative problems with the gross premiums tax one-year extension.** The BOE, the DOI, and the Controller all contribute to insurance tax administration. The Controller acts as a collector of any delinquent tax. The DOI primarily licenses, regulates, and audits insurers, and assesses and collects the tax amount each insurer is required to pay. The BOE issues DOI-determined assessments, makes refunds, and evaluates appeals.

This one-year 2.35% Medi-Cal managed care plan tax extension will not change the BOE's responsibilities.

¹⁰ RTC Section 6592.

¹¹ AB 1612 (Ch. 725, Stats. 2009, Committee on Budget).

Senate Bill 442 (Wyland) Chapter 253
Taxpayers' Rights: BOE Collection Errors

Effective January 1, 2014. Amends Sections 9274, 30459.4, 32474, 40214, 41174, 43525, 45870, 46625, 50156.14, 55335, and 60633.1 of the Revenue and Taxation Code.

BILL SUMMARY

This bill:

- Allows a taxpayer¹ to file a reimbursement claim for certain charges and fees incurred due to certain Board of Equalization (BOE) collection errors, and
- Changes the trigger of the 90-day deadline for filing a reimbursement claim from the date of the BOE's erroneous action to the date the taxpayer incurred the bank and third-party charges.

Sponsor: Board of Equalization

LAW PRIOR TO AMENDMENT

Current law authorizes the BOE to seize property of a delinquent taxpayer. Existing law also authorizes the BOE to issue a levy or notice to withhold to satisfy tax obligations of a delinquent taxpayer.

Revenue and Taxation Code (RTC) Section 7096 allows a taxpayer to file a reimbursement claim with the BOE for bank charges and any other reasonable third-party check charge fees (charges and fees). The charges and fees must directly result from an erroneous levy or notice to withhold, erroneous processing action, or erroneous collection action. Charges and fees include:

- A financial institution's or third party's customary charge for complying with the levy or notice to withhold instructions, and
- Reasonable charges for overdrafts that are a direct consequence of the erroneous levy or notice to withhold, erroneous processing action, or erroneous collection action.

Reimbursable charges and fees include those actually paid by the taxpayer. Reimbursable charges and fees do not include those waived or reimbursed by the financial institution or third party.

Other BOE-administered special tax and fee laws contain identical provisions, except they don't authorize a taxpayer to claim charge or fee reimbursement due to a BOE "erroneous processing action" or "erroneous collection action."

In order to grant a claim, current law requires the BOE to determine that the following conditions are satisfied:

- BOE error caused the erroneous levy, notice to withhold, processing action, or collection action.

¹ Taxpayer or feepayer

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- Prior to the BOE's erroneous action, the taxpayer (1) responded to all BOE contacts, and (2) provided the BOE with any requested information or documentation sufficient to establish the taxpayer's position. The BOE may waive this condition for reasonable cause.

All relevant statutes require a taxpayer to file a claim within 90 days from the date of BOE's erroneous action. The statutes require the BOE to respond within 30 days from the date the claim is received.

AMENDMENT

This bill aligns relevant special tax and fee law bank charge reimbursement provisions to the Sales and Use Tax Law. Accordingly, the bill amends the special tax and fee laws to allow taxpayer fee and charge reimbursement due to an erroneous processing action or erroneous collection action by the BOE. The relevant special tax and fee laws include: Use Fuel Tax Law, Cigarette and Tobacco Products Tax Law, Alcoholic Beverage Tax Law, Energy Resources Surcharge Act, Emergency Telephone Users Surcharge Law, Hazardous Substances Tax Law, Integrated Waste Management Fee Law, Oil Spill Response, Prevention, and Administration Fees Law, Underground Storage Tank Maintenance Fee Law, Fee Collection Procedures Law, and Diesel Fuel Tax Law.

In addition, this bill authorizes a taxpayer to file the reimbursement claim within 90 days from the date the taxpayer incurs the bank and third-party charges.

This bill allows the BOE to fairly and equitably administer the law under certain circumstances that arise from an erroneous BOE collection action. This provision also provides consistency with the Franchise Tax Board's authority under RTC Section 21018.

COMMENTS

1. **Purpose.** This bill intends to provide taxpayers with relief from charges and fees incurred due to an erroneous BOE collection or processing action.
2. **Erroneous collection or processing action.** Occasionally, an erroneous BOE action results in a taxpayer incurring charges and fees unrelated to a BOE levy or notice to withhold. Existing special tax and fee laws only allow reimbursement due to an erroneous levy or notice to withhold. Accordingly, existing law prohibits reimbursement for an erroneous processing action or erroneous collection action by the BOE.

An erroneous processing or collection action occurs when the BOE double-debits a taxpayer's bank account and erroneously credits the electronic payment to another taxpayer's account. The double-payment results in insufficient funds, which in-turn leads to overdraft bank fees. Existing special tax and fee laws authorize the BOE to reverse the erroneous debit; however, the laws do not expressly authorize reimbursement of the charges and fees incurred.

3. **Stringent filing deadline.** Sometimes taxpayers are unable to file a claim within 90 days from the erroneous BOE action date.

In one example, the BOE filed an erroneous levy and sent the taxpayer's Notice of Levy to an incorrect address. Additionally, the taxpayer's financial institution delayed compliance with the levy for nearly three months. As a result, the financial institution sent the first levy notice to the taxpayer about three months from the erroneous BOE

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action date. The erroneous levy resulted in early withdrawal fees and bank processing fees. The taxpayer failed to meet the 90-day reimbursement claim deadline due to the delayed levy notice. Existing law required the BOE to deny the claim even though the taxpayer met all other conditions.

This bill revises the basis of the 90-day reimbursement claim filing deadline from the erroneous BOE action date to the date the taxpayer incurs the bank and third-party charges. This change provides a dependable measure to ensure a taxpayer receives at least one of the two action notices: either the BOE notice, or the bank or third-party notice of action. Had this timetable been in law for the previously cited taxpayer, the taxpayer would have met the reimbursement claim deadline since the 90-day clock would not have started ticking until the bank levied the taxpayer's account.

Senate Bill 824 (Committee on Governance and Finance) Chapter 177
BOE-Sponsored Technical and Housekeeping Bill

Effective January 1, 2014. Amends Section 25299.43 of the Health and Safety Code and amends Sections 55001 and 55332.5 of the Revenue and Taxation Code.

BILL SUMMARY

This technical and housekeeping bill contains **Board of Equalization (BOE)-sponsored provisions** to do all the following:

- Correct a code section reference in the Underground Storage Tank Maintenance Fee (Health and Safety Code (HSC) Section 25299.43);
- Correct a reference in the title provision of the Fee Collection Procedures Law (Revenue and Taxation Code (RTC) Section 55001); and
- Incorporate missing language relating to offers in compromise in the Fee Collection Procedures Law (RTC Section 55332.5).

Sponsor: Board of Equalization

**Correct reference to the imposition of the
underground storage tank maintenance fee**
Health and Safety Code Section 25299.43

LAW PRIOR TO AMENDMENT

Under current HSC Section 25299.41, an owner of an underground storage tank is required to pay a storage fee of six mills (\$0.006) for each gallon of petroleum (including, but not limited to, gasoline and diesel fuel) placed in an underground storage tank which he or she owns. Section 25299.43 imposes an additional fee of eight mills (\$0.008), for a total underground storage fee of fourteen mills (\$0.014) per gallon of petroleum placed in the tank. Section 25299.43 (g) provides that the additional fee shall be paid to the BOE under the Underground Storage Tank Maintenance Fee Law “in the same manner as, and consistent with, the fees imposed under Section 24299.41.”

AMENDMENT

This bill amends HSC Section 25299.43 to correctly reference Section **25**299.41 rather than 24299.41 as the section imposing the underground storage tank maintenance fee.

BACKGROUND

The Underground Storage Tank Cleanup Fund was originally established in 1989 by Senate Bill 299 (Keene). Subsequent legislation affected fees, fund accounts, repeal dates, and various other provisions, including Senate Bill 1764 (Stats. 1994, Ch. 1191) that added HSC Section 25299.43. As added, Section 25299.43 read, in part:

The fee imposed pursuant to this section shall be paid to the State Board of Equalization pursuant to Part 26 (commencing with Section 50101) of Division 2 of the Revenue and Taxation Code in the same manner as, and consistent with, the fees imposed pursuant to Section 24299.41.

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In 2004, Assembly Bill 1906 (Ch. 774), among other things, amended Section 25299.43 to temporarily increase the underground storage tank maintenance fee. Amendments to Section 25299.43, however, only moved the Section 24299.41 referencing error to a different subdivision.

Correct a reference in title to the Fee Collection Procedures Law
Revenue and Taxation Code Section 55001

LAW PRIOR TO AMENDMENT

The Fee Collection Procedures Law (FCPL) was added to the RTC as Part 30 (commencing with Section 55001) of Division 2. Section 55001 provides that this “chapter shall be known and may be cited as the Fee Collection Procedures Law.” As such, Section 55001 incorrectly cites a single chapter of the FCPL rather than referencing the law in its entirety as Part 30.

AMENDMENT

This bill amends Section 55001 to make a non-substantive reference correction to the FCPL, from “chapter” to “part.”

BACKGROUND

The FCPL was added by Senate Bill 1920 (Stats. 1992, Ch. 407). The FCPL contains “generic” administrative provisions for the administration and collection of fee programs to be administered by the BOE. It was added to the RTC to allow bills establishing a new fee to reference this law, thereby only requiring a minimal number of sections within the bill to provide the necessary administrative provisions. The FCPL generally provides for the BOE’s administration of fee programs. Among other things, the FCPL provides for collection, reporting, return, refund, and appeals procedures, as well as the BOE’s authority to adopt regulations related to the FCPL’s administration and enforcement.

Incorporate missing language from the FCPL relating to offers in compromise
Revenue and Taxation Code Section 55332.5

LAW PRIOR TO AMENDMENT

Under the existing Sales and Use Tax Law (RTC §7093.6), Use Fuel Tax Law (§9278), Cigarette and Tobacco Products Tax Law (§30459.15), Alcoholic Beverage Tax Law (§32471.5), Emergency Telephone Users Surcharge Act (§41171.5), Oil Spill Response, Prevention, and Administration Fees Law (§46628), Underground Storage Tank Maintenance Fee Law (§50156.18), Fee Collection Procedures Law (§55332.5), and Diesel Fuel Tax Law (§60637), the BOE is allowed to compromise a final tax liability if certain requirements are met.

AMENDMENT

This bill amends RTC Section 55332.5, as amended by Section 16 of Chapter 285 of the Statutes of 2012, to incorporate missing language that should have been added last year.

BACKGROUND

In 2008, Assembly Bill 2047 (Ch. 222, J. Horton) amended the BOE's offers in compromise statutes to allow the BOE to compromise, until January 1, 2013, certain final tax, fee or surcharge (tax) liabilities of (1) businesses that are not discontinued or transferred if the final tax liability arises from transactions in which the taxpayer did not receive sales tax reimbursement or use tax, (2) persons liable as successors, and (3) consumers who incurred a use tax liability. An inadvertent error in paragraph (p)(2) of Section 55332.5 omitted the words "or financial condition of the feepayer or other person liable with respect to the" between "estate" and "fee." This omission in Section 55332.5 was again overlooked in last year's Senate Bill 1548 (Ch. 285, Wyland), which extended the statute until January 1, 2018.

TABLE OF SECTIONS AFFECTED

SECTIONS		BILL AND CHAPTER NUMBER		SUBJECT
Revenue & Taxation Code				
<i>Use Fuel Tax Law</i>				
§9274	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Insurance Tax Law</i>				
§12009	Add	SB 78	Ch. 33	“Medi-Cal managed care plan” defined
§12201	Repeal Add Repeal Add	SB 78	Ch. 33	Annual tax
§12204	Repeal Add Repeal Add	SB 78	Ch. 33	In lieu of other taxes; exceptions
§12207	Add Repeal	SB 78	Ch. 33	Disallowed credits
Article 4 (commencing with Section 12240) of Chapter 3 of Part 7 of Division 2	Add	SB 78	Ch. 33	Repeal date
§12251	Repeal Add Repeal Add	SB 78	Ch. 33	Prepayments
§12253	Repeal Add Repeal Add	SB 78	Ch. 33	Remittance of prepayment
§12254	Repeal Add Repeal Add	SB 78	Ch. 33	Amount of prepayment

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SECTIONS		BILL AND CHAPTER NUMBER		SUBJECT
<i>Insurance Tax Law, Continued</i>				
§12257	Repeal Add Repeal Add	SB 78	Ch. 33	Amount of prepayment
§12258	Repeal Add Repeal Add	SB 78	Ch. 33	Overpayment
§12260	Repeal Add Repeal Add	SB 78	Ch. 33	Penalty and interest
§12301	Repeal Add Repeal Add	SB 78	Ch. 33	Relief from prepayments
§12302	Repeal Add Repeal Add	SB 78	Ch. 33	Insurance tax return in duplicate
§12303	Repeal Add Repeal Add	SB 78	Ch. 33	Return to be signed; oath or declaration
§12304	Repeal Add Repeal Add	SB 78	Ch. 33	Blank forms furnished
§12305	Repeal Add Repeal Add	SB 78	Ch. 33	Remittance of tax
§12307	Repeal Add Repeal Add	SB 78	Ch. 33	Interest on extension
§12412	Repeal Add Repeal Add	SB 78	Ch. 33	Initial assessment of tax

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SECTIONS		BILL AND CHAPTER NUMBER		SUBJECT
<i>Insurance Tax Law, Continued</i>				
§12413	Repeal Add Repeal Add	SB 78	Ch. 33	Notice of initial assessment
§12421	Repeal Add Repeal Add	SB 78	Ch. 33	Determination of correct amount of tax
§12422	Repeal Add Repeal Add	SB 78	Ch. 33	Proposed deficiency assessment
§12423	Repeal Add Repeal Add	SB 78	Ch. 33	Estimate where no return filed
§12427	Repeal Add Repeal Add	SB 78	Ch. 33	Notice of deficiency assessment
§12428	Repeal Add Repeal Add	SB 78	Ch. 33	Petition for redetermination
§12429	Repeal Add Repeal Add	SB 78	Ch. 33	Oral hearing
§12431	Repeal Add Repeal Add	SB 78	Ch. 33	Finality date
§12433	Repeal Add Repeal Add	SB 78	Ch. 33	Waiver of limitation
§12434	Repeal Add Repeal Add	SB 78	Ch. 33	Service of notice

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SECTIONS		BILL AND CHAPTER NUMBER		SUBJECT
<i>Insurance Tax Law, Continued</i>				
§12491	Repeal Add Repeal Add	SB 78	Ch. 33	Lien of tax
§12493	Repeal Add Repeal Add	SB 78	Ch. 33	Lien has effect of execution
§12494	Repeal Add Repeal Add	SB 78	Ch. 33	Removal of lien
§12601	Repeal Add Repeal Add	SB 78	Ch. 33	Payment to Controller
§12602	Repeal Add Repeal Add	SB 78	Ch. 33	Electronic funds transfer
§12631	Repeal Add Repeal Add	SB 78	Ch. 33	Interest and penalty
§12632	Repeal Add Repeal Add	SB 78	Ch. 33	Deficiency assessment; interest and penalty
§12636	Repeal Add Repeal Add	SB 78	Ch. 33	Excusable delay
§12636.5	Repeal Add Repeal Add	SB 78	Ch. 33	Application of payment to delinquent tax liabilities
§12679	Repeal Add Repeal Add	SB 78	Ch. 33	Service of summons

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SECTIONS		BILL AND CHAPTER NUMBER		SUBJECT
<i>Insurance Tax Law, Continued</i>				
§12681	Repeal Add Repeal Add	SB 78	Ch. 33	Controller's certificate prima facie evidence
§12801	Repeal Add Repeal Add	SB 78	Ch. 33	Controller's annual report of delinquent insurers
§12951	Repeal Add Repeal Add	SB 78	Ch. 33	Cancellation of assessment
§12977	Repeal Add Repeal Add	SB 78	Ch. 33	Credits and refunds
§12983	Repeal Add Repeal Add	SB 78	Ch. 33	Interest; insurers
§12984	Repeal Add Repeal Add	SB 78	Ch. 33	Disallowance of interest
<i>Cigarette and Tobacco Products Tax Law</i>				
§30459.4	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Alcoholic Beverage Tax Law</i>				
§32474	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Energy Resources Surcharge Law</i>				
§40214	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Emergency Telephone Users Surcharge Law</i>				
§41174	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer

STATE BOARD OF EQUALIZATION

SECTIONS		BILL AND CHAPTER NUMBER		SUBJECT
<i>Hazardous Substance Tax Law</i>				
§43525	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Integrated Waste Management Fee Law</i>				
§45870	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Oil Spill Response, Prevention, and Administration Fees Law</i>				
§46625	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Underground Storage Tank Maintenance Fee Law</i>				
§50156.14	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Fee Collection Procedures Law</i>				
§55001	Amend	SB 824	Ch. 177	Title
§55332.5	Amend	SB 824	Ch. 177	Offers in compromise: correction
§55335	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Diesel Fuel Tax Law</i>				
§60633.1	Amend	SB 442	Ch. 253	Claim for reimbursement of bank charges by taxpayer
<i>Health and Safety Code</i>				
§25299.43	Amend	SB 824	Ch. 177	Underground storage tank fee: reference correction
<i>Public Resources Code</i>				
§42885	Amend	AB 8	Ch. 401	California Tire Fee: rate extension
§42889	Amend	AB 8	Ch. 401	California Tire Fee: deposit of proceeds