



STATE BOARD OF EQUALIZATION

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April 9, 2014

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

Dear Assembly Member Bocanegra:

Board of Equalization (BOE)-sponsored Assembly Bill 2262 (Frazier) is set for hearing in the Assembly Revenue and Taxation Committee on April 21, 2014. This bill changes the method to apportion value to California for purposes of the Private Railroad Car tax. Specifically, it changes the measure of California presence from the pro rata number of car days spent to the pro rata number of miles traveled in California. Converting to a mileage based system is appropriate and fair, allocates value among states in a consistent manner, and reduces the administrative burden for both taxpayers and the BOE.

Conformity. A mileage based system conforms to the way all other states that impose the tax measure presence.

Administrative Efficiency. A mileage based system is less complex and less costly to administer.

Cost Savings. The BOE's current car-day count computer program is at the end of its useful life. Switching to a mileage basis will obviate the need to replace the program.

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
Cynthia Bridges
Executive Director

CB:ah

cc: The Honorable Jim Frazier
The Honorable Brian Dahle, Vice Chair
The Honorable Richard Gordon
The Honorable Diane Harkey
The Honorable Kevin Mullin
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The Honorable Richard Pan
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