



FIONA MA, CPA
STATE BOARD OF EQUALIZATION
MEMBER, SECOND DISTRICT

Date: January 4, 2016

To: Honorable Chair Assembly Member Philip Y. Ting

CC: All Members of the Assembly Revenue and Taxation Committee

I support AB 821(*Gipson*), which upon adoption, would modify Revenue and Taxation Code (RTC) section 6479.3 to provide the Board of Equalization (BOE) with the discretion to allow businesses to pay their tax liabilities by means other than the required EFT (Electronic Fund Transfer) (such as check, credit card, or cash) without penalty, when necessary to facilitate the collection of taxable amounts due.

Current law states taxpayers whose estimated liabilities average \$10,000 or more per month are required to remit their tax amounts due by Electronic Fund Transfer (EFT) and must pay penalties of 10 percent (or six percent for pre-payments) if they fail to do so. These penalties can be voluntarily waived for good reason, but the waiver must be requested and obtained with every payment. This creates an unfair burden on those who, for a variety of reasons, must pay with cash – for example, medical cannabis.

This change in legislative language to Revenue and Taxation Code (RTC) Section 6479.3 will result in an increase in voluntary tax compliance and will allow medical cannabis and other cash based businesses to meet their sales and use tax obligations.

Thank you in advance for your support on this very important issue.

