Message from Chairwoman Ma:

November is a very busy month. On November 11, we honor America’s veterans for their patriotism and willingness to serve and sacrifice for their country. If you are a veteran who owns a business or would like to start one, come to my San Mateo Veterans Small Business Seminar on November 2 that can help your business efforts in California (http://www.boe.ca.gov/ma/events/).

The end of November is also the start of the holiday season. Many of us will be travelling home for the long weekend to spend it with families and friends. According to the American Automobile Association (AAA), 46.9 million Americans travelled more than 50 miles for Thanksgiving in 2015 (http://www.cnn.com/2012/11/21/living/thanksgiving-by-the-numbers/). Following that is November 26th, so go out after a big Thanksgiving meal and support small and local businesses when you start your holiday shopping on #SmallBusinessSaturday.

Finally, entering its fifth year, #GivingTuesday will take place on November 29. Since it first started in 2012, #GivingTuesday has become a movement that celebrates and supports giving and philanthropy with events throughout the year.

As always, if I can be of service, please feel free to call me and members of my team at (415) 557-3000 or email me at Fiona.Ma@boe.ca.gov. We look forward to hearing from you.

In Peace and Friendship,

Fiona Ma, CPA
**Sales and Use Tax Rate Changes Effective October 1, 2016**

The tax rate changes listed below apply only within the indicated city limits. To find the correct tax rate for your area or business location, visit [https://maps.gis.ca.gov/boe/TaxRates/](https://maps.gis.ca.gov/boe/TaxRates/).

<table>
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<th>NEW DISTRICT TAXES</th>
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<tr>
<td><strong>City</strong></td>
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<td>City of Compton (Los Angeles County)</td>
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<td>City of Corning (Tehama County)</td>
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<td>City of Isleton (Sacramento County)</td>
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<td>City of Marysville (Yuba County)</td>
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<td>City of San Jose (Santa Clara County)</td>
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<th>CURRENT DISTRICT TAXES EXTENDED</th>
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<td><strong>City</strong></td>
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<td>City of Pittsburg (Contra Costa County)</td>
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**Sales in Interstate and Foreign Commerce**

Sales tax generally does not apply to your transaction when you sell a product and ship it (i.e. via common carrier, customs broker, export packer, or forwarding agent) or deliver it in your own vehicle directly to the purchaser at an out-of-state location, for use outside California. In most cases, if a purchaser or their representative takes possession of an item in California—even temporarily—or uses the item before it is taken out of state, your sale does not qualify for this particular sales tax exemption.

It is important to retain documents in your records that will support any tax exemptions you claim for sales delivered outside California. Please refer to Publication 101, Sales Delivered Outside California, for examples of supporting documentation that you must retain.

For more information please refer to:
Publication 32, Sales to Purchasers From Mexico: [http://www.boe.ca.gov/pdf/pub32.pdf](http://www.boe.ca.gov/pdf/pub32.pdf)
Fuel Fun Facts: Tip of the Month

TIP: Inflate Your Tires Properly but Beware of Over Inflation

According to Car and Driver (www.caranddriver.com), underinflated tires increase rolling resistance, which makes the engine work harder and generates more heat, in turn, causing the tires to degrade more rapidly. Adding more air improves fuel economy but overinflating stiffens the ride, decrease handling and braking performance, and could result in uneven tire wear. Never exceed the maximum inflation pressure listed on the sidewall of the tire.

FUEL WATCH: Regular gasoline is higher than last week's price by about a cent. The average price in California for regular gasoline increased 1-cent from the previous week. The average statewide price for regular was $2.763. Mid-grade and premium prices increased as well. (http://www.energy.ca.gov/)

Donations to Nonprofit, Religious, and Governmental Organizations

Items withdrawn from business inventory:

In general, your business owes use tax when you remove items from your resale inventory and use them for a purpose other than to sell or for demonstration and display. However, you will not owe use tax if you donate those items to certain nonprofits or governmental organizations without first making any other use of the items. The organization must be operated for educational, scientific, or literary purposes, or is a religious or other organization described in Internal Revenue Code section 170(b)(1)(A).

The use tax exemption for donation includes, but is not limited to goods you donate to the following:

• Churches and religious organizations
• Charitable organizations such as the Red Cross, Salvation Army, nonprofit schools and hospitals, and medical assistance and research groups
• Nonprofit educational organizations and schools
• Organizations operated for educational, scientific, or literary purposes including nonprofit museums, art galleries, and performing arts groups
• Organizations operated for the protection of children or animals
• Fraternal lodges (if the donated item is used for charitable purposes)
• The United States, State of California, and political subdivisions of the state (counties, cities, and certain special districts)

Example: ABC Tires withdraws eight new truck tires valued at $800 from its resale inventory and donates them to Home Meals Express, a charitable nonprofit senior meals organization. If ABC Tires had used the tires on its own trucks, it would owe use tax based on their $800 value. But since it donated the tires to a qualified nonprofit organization from its resale inventory, before any use by ABC Tires, it does not owe use tax.
Donations to Nonprofit, Religious, and Governmental Organizations

For recipients: sales of donated goods
If your organization receives a donation of merchandise from a business, please note that tax usually applies if you sell the donated item. Note: Tax does not apply if you qualify as a consumer or if your sale is otherwise tax exempt (please refer to Publication 18, Nonprofit Organizations to determine if you are a consumer.)

Donations and Sales of Gift cards, Gift Certificates, and Services
Your business may donate gift cards, gift certificates, or services to nonprofit and religious organizations. When no merchandise changes hands in the donation, the donation has no effect on your sales or use tax liability and the donation does not entitle you to any sales or use tax deduction.

Example: Joe’s Fishing Shop sells fly fishing gear and provides guided fishing trips. The owner donates a fishing trip and gift certificate to a California nonprofit fish conservation organization for its annual fundraiser. The donation of the trip and gift certificate have no effect on the business’ sales and use tax liability since those items are not physical merchandise.

Items purchased for donation
Your business’ purchase of items specifically for donation to a nonprofit, government, or religious organization is not eligible for any exemption from sales or use tax. You should pay an amount for tax to the seller rather than make the purchase with a resale certificate.

Example: The owner of California Pets Unlimited, Ms. Jones, is asked to donate new or gently used children’s toys to her temple. Since Ms. Jones doesn’t sell children’s toys, she buys three stuffed animals from a toy store and donates them on behalf of her company. Ms. Jones may not buy the toys for resale since her intent is to donate them rather than sell them in her business. Her business is not eligible for any sales or use tax deduction or exemption related to the purchase and donation.

For more information regarding donations to nonprofit, religious, and governmental organizations, please refer to Publication 18, Nonprofit Organizations, available on the BOE’s website at http://www.boe.ca.gov/pdf/pub18.pdf and http://www.boe.ca.gov/industry/nonprofit_organizations.html.
Property Tax Postponement

The California State Controller's Property Tax Postponement (PTP) program was recently reinstated after being suspended by the Legislature in 2009. The PTP program allows homeowners who are at least 62, or have a disability to defer current-year property taxes on their principal residence if they meet certain criteria.

The program guidelines and application are available online. Since there is a limited pool of money to support the program, please be sure to apply as soon as possible. Applications will be processed in the order they are received beginning October 1, 2016.

For more information, please visit http://www.sco.ca.gov/ardtax_prop_tax_postponement.html

Film Tax Credit Program

As a member of the California Film Tax Commission, the Chairwoman is always pleased to see film and television productions occur in California.

The first California film tax credit program provided tax incentives to selected motion picture companies making an eligible film or television project.

Types of production eligible for the first California Film tax credit include: feature film, movie of the week, mini series, new basic cable series, relocating television series, and independent features.

For information on the credit and application process, please visit http://www.film.ca.gov/Incentives.htm.

Manufacturing and Research & Development Equipment Exemption

Manufacturers and certain research and developers may qualify for a partial exemption of sales and use tax on certain manufacturing and research and development equipment purchases and leases. To be eligible for this partial exemption, you must meet all three of these conditions:

- Be engaged in certain types of business, also known as a "qualified person“;
- Purchase "qualified property”; and
- Use that qualified property in a qualifying manner.

For more information, please visit http://www.boe.ca.gov/sutax/manufacturing_exemptions.htm
Go-Biz Tax Credits Available

$100 million in GO-Biz California Competes Tax Credits will be available in January. The California Competes Tax Credit is an income tax credit available to businesses who want to come, stay, or grow in California. Tax credit agreements are negotiated by GO-Biz and approved by a statutoryy created “California Competes Tax Credit Committee,” consisting of the State Treasurer, the Director of the Department of Finance, the Director of GO-Biz, and one appointee each by the Speaker of the Assembly and Senate Committee on Rules.

For fiscal year 2016-17, GO-Biz will accept applications for the California Competes Tax Credit during the following periods:

- January 2, 2017, through January 23, 2017 ($100 million available)
- March 6, 2017, through March 27, 2017 ($68.3 million plus any remaining unallocated amounts from the previous application periods)

Applications are evaluated based on the factors required by statute, including total jobs created, total investment, average wage, economic impact, strategic importance and more. Applications are accepted online through a free and interactive website at [http://www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit](http://www.business.ca.gov/Programs/CaliforniaCompetesTaxCredit).

For Here or To Go?

If you operate a restaurant, café, or similar establishment, and have seating facilities, it is important to ask your customers “for here or to-go?” Tax generally applies to sales of food and beverages if those items are served for consumption at your place of business.

You are considered to have a place of business where customers may consume their purchases if, for example:

- You provide tables and chairs or counters for dining, or provide trays, glasses, dishes, or other tableware; or
- You are located in a shopping mall and are near dining facilities provided by the mall. In this example, you are located in or near a food court or near an area where tables and chairs are provided for dining.

Food and beverages are considered served if they are intended to be eaten at your place of business or if they are provided on, or in, an individual returnable container from which they can be eaten.

It does not matter whether a food product or beverage is sold à la carte or as part of a meal. If it is sold for consumption at your place of business, it is generally subject to tax. A meal is a combination of food products, or a combination of food products and edible nonfood products (such as carbonated or alcoholic drinks), sold for a single price. For more information, please visit [http://www.boe.ca.gov/pdf/pub22.pdf](http://www.boe.ca.gov/pdf/pub22.pdf)
DEAR KATHRYN:
I recently received a letter stating that a representative from the Board of Equalization’s Statewide Compliance and Outreach Program will be visiting my business? What is the purpose of this program?

- CLAUDIA

DEAR CLAUDIA:
The objective of the Statewide Compliance and Outreach Program (SCOP) is to provide outreach to business owners, increase voluntary compliance, and help make our tax system fair. SCOP is intended to:
• Make sure you have the state tax and fee permits and licenses you need,
• Make sure that the BOE’s records on your business are updated and correct,
• Allow you to meet a representative who can provide more information and answer your questions, and
• Make sure you understand your reporting requirements so that you are able to report accurately.

For more information regarding the SCOP program, please visit http://www.boe.ca.gov/sutax/SCOP_Overview.htm.

- KATHRYN

Do you have general sales and use tax questions? If you have a question, please send it to Fiona.Ma@boe.ca.gov with the subject title “Dear Kathryn.”

Report Tax Scams
The Franchise Tax Board (FTB) has updated its Report Scams, ID Theft, & Tax Fraud webpage as part of ongoing efforts to crack down on tax fraud and tax scams.

To report scammers, visit www.ftb.ca.gov. Be suspicious of anyone who contacts you and:
• Asks for passwords or information about your credit cards and bank accounts. FTB agents never ask for these details.
• Threatens to contact local police or other law enforcement to have you arrested if a tax debt is not paid.
• Demands payment by third-party or pre-paid debit cards. FTB does not accept these forms of payment.

FTB will contact a taxpayer by mail — often several times — prior to calling directly. FTB also uses an automated dialer program, and a copy of that program’s message can be found on FTB’s website https://www.ftb.ca.gov/aboutFTB/automated_dialer.shtml.

Tax professionals have also been targeted by scammers. One recent scheme involved emails that appear to be from legitimate tax software companies trying to trick tax professionals into revealing client data.
IN OTHER NEWS..

Protect Yourself This Holiday Season

Holiday season is coming up! Getting the best deal of the season is a rush, but not when you can become a victim of identity theft. Here are a few tips to protect you this holiday season:

1. Watch for fake deals and fake websites. This is also known as “phishing”. The websites look like real websites but are built to get you to provide your personal information. Make sure to double check the web address and make sure it’s not phony. Also make sure that the website is secure. You can tell when the web link starts with “https”.

2. A lot of identity theft happens behind the scenes through “skimmers” placed on card readers at ATMs, gas stations, and drug stores. Never use a card reader that looks like it’s been tampered with. Also be sure to keep your PIN number out of sight as you typing it by using your free hand or positioning your body to cover the number pad.

3. Be careful making online purchases on unsecured Wi-Fi networks like in a café or public place. Criminals have been sophisticated enough to intercepting unsecured Wi-Fi communications. This also includes looking up sensitive personal information like bank and financial statements where people using the same network can conceivably get access to your information.

4. Use a credit card versus a debit card. If you have been defrauded using a debit card, the funds are taken straight from your bank account. Depending on your bank, the process to file unauthorized charges may be tedious and you won’t have access to that cash for a while.

5. Monitor your bank and credit card statements closely and often during the holidays. Checking your credit and debit card statements online on a daily basis is a good way to limit the damage that fraudsters can do to your accounts.

For more information about identity theft prevention and how to report them, you can visit:

https://www.consumer.ftc.gov/articles/0213-lost-or-stolen-credit-atm-and-debit-cards
Federal and state programs are available to help students get funding for their higher education and are now accepting applications. California Cash for College (https://cash4college.csac.ca.gov) is a program spearheaded by the California Student Aid Commission. This program provides free, in-person help to low and middle income and first generation college-going students and families to fill out the Free Application for Federal Student Aid (FAFSA), CA DREAM Act Application, and the Cal Grant GPA Verification Form. Cash for College mobilizes financial aid professionals primarily from colleges and universities as well as volunteers to assist students and families at workshops.

This year due to the changes authorized by President Obama, students will be able to fill their FAFSA for 2017-2018 school year beginning October 1, 2016. The deadline for submitting the application is March 2, 2017. So, throughout the months of October to March there will be many workshops available for students and families to attend for them to get help with filing their financial aid forms. They will be guided by volunteers there to assist them.

Also please know that filling the FAFSA form is free and requires no fees. So be cautious of websites that ask you for a monetary fee.

Find a Cash for College Workshop near you for FREE FAFSA/CADAA/Chafee for Foster Youth financial aid assistance

Filing for the March 2, 2017, Cal Grant Award Deadline:
To be considered for a 2017-2018 Cal Grant award, you must have completed both of these application requirements by March 2, 2017:

2. Ensured that a certified Grade Point Average (GPA) was submitted to the California Student Aid Commission (Commission).

For more information, please visit: http://www.csac.ca.gov/doc.asp?id=1177

To check for upcoming workshops please visit: www.cash4college.org
To check with your Regional Coordinating Organization please visit: https://www.cash4college.csac.ca.gov/RCO/RegionalCoordinatingOrganizations
Employee Showcase: Jennifer Bannon

The BOE is full of hidden talents. Mostly self taught, Jennifer’s passion in painting is to capture bold color and contrasts in light and shadow. It is her hope that her paintings make the viewer say “WOW”. She is currently working at the BOE and her paintings are being showcased at the Chairwoman’s Sacramento office. We look forward to more from her.

For more information, Jennifer can be contacted at jbannon2727@gmail.com or 916-717-6639.

Happy Birthday
D2 Employees

| November 03 | Ashley Puerta |
| November 03 | Salma Chowhury |
| November 04 | Romulo Vergara |
| November 05 | Lourdes Servigon |
| November 06 | Cheng Li |
| November 06 | Xia Chen |
| November 07 | Richard Cotter |
| November 13 | Anna Lau |
| November 15 | Shirley Stager |
| November 16 | Matthew Stender |
| November 21 | Maria Sobrepena |
| November 24 | Emily Vena |
Taxpayers’ Corner: National Customer Service Week Recognition

BOE - District 2
Chairwoman Fiona Allo, CPA

Ricardo Luna
CLASS: Tax Technician I
LEVEL: 7 months with BOE
WANT: Flash

"Ricardo was amazing. After months of going in circles, he stepped in and quickly saw to the resolution to the issues. He is great!"

Karen Pham
CLASS: Associate Tax Auditor
LEVEL: 5 years with BOE
WANT: To Turn Back Time

"Excellent in every area!"

Juanita Cisneroz
CLASS: Office Technician
LEVEL: 4 years with BOE
WANT: To Read Minds

"Juanita has always been so sweet and nice to work with. Thanks for everything Juanita!"

Gloria Pirak
CLASS: Staff Information Systems Analyst (Specialist)
LEVEL: 28 years with BOE
WANT: The Invisible Woman

"Gloria is the behind the scenes force that keeps our office running smoothly!"

Courtney Frank
CLASS: Business Taxes Representative
LEVEL: 3 years with BOE
WANT: Elastigirl

"Courtney is professional, fast, accurate, and courteous."

Chris Psara
CLASS: Business Taxes Representative
LEVEL: 6 years with BOE
WANT: Magical Energy

"Rather than just acting like you're bothering her, as some other officials do, she is always pleasant, cheerful, and helpful."

Gloria Quiroz
CLASS: Tax Technician III
LEVEL: 28 years with BOE
WANT: Superhuman Strength

"Ms. Quiroz was very professional and helpful in answering all questions that I had. She was on top of my account which was great!"

Anna Lau-Wong
CLASS: Cashier
LEVEL: 18 years with BOE
WANT: Brainiac

"Excellent overall service! Lots of patience to help the taxpayer."
MaSquad on the Road

City of Ventura Chamber of Commerce Western Expo with local businesses and community leaders!

Great dialogue with all of California's County Assessors at the 114th Annual Conference

Veteran’s Day with Regional Director of Recruit Military and Air Force Retired Master Sergeant Derrick Jackson

Working on another helpful webinar on record keeping with my BOE team – airs Oct. 21

Bringing awareness to domestic violence at the Silent Witness Exhibition with Assemblymember David Chiu, Supervisor Katy Tang, and Beverly Upton, Executive Director of San Francisco Domestic Violence Consortium
Thank You for Your Support

If you have a tax or fee problem, or have difficulty understanding the complex tax laws in California, my office can help provide you with assistance and resources. Email me directly at fiona.ma@boe.ca.gov or call my offices in Sacramento at 916-445-4081 or in San Francisco at 415-557-3000.

In addition, if you want to view some of the Board decisions or watch us live at the monthly Board hearings, please access www.boe.ca.gov and choose the webcast option under Board Hearings.

Representing the interests of taxpayers in a district of more than nine million Californians in 23 counties, I will ensure that the agency treats all taxpayers with respect and dignity. As your SBOE representative, I will continue to ensure that taxpayers are being heard in Sacramento. It is truly an honor to serve you.

Connect with Chairwoman MA

@FionaMa

www.facebook.com/CA.FionaMa

www.linkedin.com/in/fionamacpa

www.boe.ca.gov/MA

@CA_BOE_News

#CABOE

Newsletter Subscription

If you are interested in receiving a digital copy of my monthly newsletter straight to your inbox, please subscribe at this link:

https://www.boe.ca.gov/ma/newsletters/

Disclaimer: This material has been prepared for general informational purposes only and may not reflect the most current legal developments. These informational materials are not intended, and should not be taken, as legal advice and are subject to change without notice.

Upcoming Events:

San Mateo Veterans Small Business Seminar
Wednesday, November 2, 2016, 9:00am – 1:00pm
David J. Chetcutti Community Room (next to Millbrae Public Library)
450 Poplar Avenue, Millbrae CA, 94030

Register at: www.boe.ca.gov/ma/events or call 1-888-847-9652

*** Walk-ins are welcome. Registration is not mandatory to attend unless specifically noted. Events may be televised by a non-government agency

Free Webinars on Record Keeping, and Filing Available at
http://www.boe.ca.gov/ma/webinars/

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Wednesday, November 2, 2016, 9:00am – 1:00pm
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