



FIONA MA, CPA

Chairwoman, California State Board of Equalization
District 2

Message from Chairwoman Ma:

National Customer Service Week is October 3-7 and we'd love to hear from you on how are we doing? There are lot of ways to tell us about your experience. You can email Fiona.Ma@boe.ca.gov and tell us about the customer service you received. It may be featured in our taxpayer's corner. Watch our video for more information: <https://youtu.be/jPjt6FhAB2E>.

Another important date to remember this month is October 17th, which is the last day to file your 2015 personal income tax if you received a 6-month extension. Make sure you file in time to avoid any penalties and if you have any questions, please visit: https://www.ftb.ca.gov/individuals/important_duedates.shtml.

Lastly, October is Domestic Violence Awareness Month. Let's work to raise awareness about the negative effects of domestic violence by volunteering, participating in events, or wearing purple! My San Francisco Office lobby will be hosting a free Silent Witness Expo open to the public to showcase domestic violence victim survival stories and to raise awareness of the new California Income Tax checkoff box to help elevate awareness around domestic violence.

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

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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/>. (Please note: The new rates will not be available on this website until October 1, 2016.)

NEW DISTRICT TAXES				
City	New Code	Acronym	Prior Rate	New Rate
City of Compton (Los Angeles County)	449	COMG	9.00%	10.00%
City of Corning (Tehama County)	446	CORG	7.50%	8.00%
City of Isleton (Sacramento County)	443	ISLS	8.00%	8.50%
City of Marysville (Yuba County)	447	MARG	7.50%	8.50%
City of San Jose (Santa Clara County)	445	SJGT	8.75%	9.00%
CURRENT DISTRICT TAXES EXTENDED				
City	Code	Acronym	Tax Rate	Expiration Date
City of Pittsburg (Contra Costa County)	288	PPTG	9.00%	6-30-35

FREE Tax Appeals Assistance Program

Taxpayers and others with appeals before the Members of the Board of Equalization (BOE) are able to seek free legal assistance through the BOE's Tax Appeals Assistance Program, which is managed by the Taxpayers' Rights Advocate. Qualified law students, who are supervised by BOE tax counsels, advise individuals (appellants) with appeals under \$20,000. The students research and draft appeal briefs, and handle other matters on behalf of the appellant.

Assistance is offered to qualifying appellants with state income tax, consumer use tax, Cigarette and Tobacco Products Licensing Act, and dual determination cigarette internet purchases, underground storage tank fee, environmental fee, generator fee, successor liability and customs appeals in which a decision by the Board of Equalization has been requested.

The Tax Appeals Assistance Program is a great resource for taxpayers and also provides hands-on experience for law students. Please visit <http://www.boe.ca.gov/tra/taap.htm> for more information.

Fuel Fun Facts: Mythbuster

MYTH: You have to drive a small car to get good fuel economy.

FACT: New technology like hybrids, diesel engines, direct fuel injection, turbocharging, advance transmission, low rolling resistance tires and aerodynamic designs are allowing standard-sized vehicles to be very fuel efficient. For the 2016 model year, about half of the top ten most efficient vehicles (the list that excludes electric vehicles and plug-ins) are midsized or large cars and wagons. Learn more fuel economy tips at www.fueleconomy.gov and save some gas money!

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/>)

Sharing Economy Tax Center

The IRS has launched a new web page designed for taxpayers who are involved in the “sharing economy,” which includes sharing cars, rooms, vacation rentals and even short-term work services. The site helps taxpayers recognize when income is taxable, where business expenses may be deductible, special rules for rentals, how to make quarterly payments and more. If you use one of the many online platforms available to rent a spare bedroom, provide car rides, or to connect and provide a number of other goods or services, you’re involved in what is sometimes called the sharing economy. An emerging area of activity in the past few years, the sharing economy has changed how people commute, travel, rent vacation places, and perform many other activities. Also referred to as the on-demand, gig or access economy, sharing economies allow individuals and groups to utilize technology advancements to arrange transactions to generate revenue from assets they possess - (such as cars and homes) - or services they provide - (such as household chores or technology services). Although this is a developing area of the economy, there are tax implications for the companies that provide the services and the individuals who perform the services.

This means if you receive income from a sharing economy activity, it’s generally taxable even if you don’t receive a Form 1099-MISC, Miscellaneous Income, Form 1099-K, Payment Card and Third Party Network Transactions, Form W-2, Wage and Tax Statement, or some other income statement. This is true even if you do it as a side job or just as a part time business and even if you are paid in cash. On the other hand, depending upon the circumstances, some or all of your business expenses may be deductible, subject to the normal tax limitations and rules. The IRS encourages taxpayers working in these areas to understand the potential tax issues affecting them. The IRS is providing additional information to help people, and many tax professionals that have tax issues and questions related to this emerging area. The tax software industry is also looking at this area, and many software programs can assist when you do your taxes in 2017. The site provides handy links to commonly needed IRS publications for new and small businesses and independent contractors. Find the resource center at <https://www.irs.gov/businesses/small-businesses-self-employed/sharing-economy-tax-center>.



DEAR KATHRYN.....

DEAR KATHRYN:

I'm changing my business entity from a partnership to a corporation. Do I need to apply for a new seller's permit?

- HEATHER

DEAR HEATHER:

Yes, when you change from one business entity to another, you must obtain a new seller's permit. You may apply for a new permit online at <https://efile.boe.ca.gov/ereg/index.boe>. You also need to submit a Notice of Closeout in order to closeout your defunct partnership permit. A Notice of Closeout is available online at

<http://www.boe.ca.gov/pdf/boe65.pdf>. If you need assistance applying for a new permit or closing out your old permit, you may contact the BOE's Customer Service Center at 1-800-400-7115 or visit your local BOE District Office. For a list of District Office locations, please visit <http://www.boe.ca.gov/info/phone.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."

Sales Tax Changes on Yeast

The Board of Equalization updated its opinion on the application of sales and use tax to yeast used in winemaking to make it consistent with the rule for yeast used in brewing beer. A new opinion was issued on January 6, 2016, which explains that sales of yeast used in winemaking are not subject to sales or use tax. Wineries may purchase yeast used for making wine without payment of sales or use tax. Some wineries may be entitled to a refund for overpaid sales or use tax for periods within the statute of limitations for filing a claim for refund, which is generally three years. Business owners should contact their professionals to check if they are able to file a claim for refund.

"For a long time, it didn't make sense that yeast used in the production of wine was set to a different standard for the production of beer. Both served similar purposes for fermentation of the product and it was strange that tax was applied differently. I questioned this interpretation and helped lead the effort to reconsider this double standard and pleased that the BOE has revised its opinion regarding the application of yeast used in winemaking". Explains BOE Chairwoman Fiona Ma.

Please visit <http://www.boe.ca.gov/industry/sales-tax-guide-for-winemakers.html#overview> or call 1-800-400-7115 for more information.

FTB Tax Tip: Claim Cal EITC

FTB recently sent 55,000 letters in English and Spanish to taxpayers who may be eligible to claim the California Earned Income Tax Credit (Cal EITC) for the 2015 tax year. Letter recipients filed tax returns with the FTB but did not provide all necessary information for FTB to calculate the credit amount. The letters include a one-page Cal EITC Worksheet that taxpayers can fill out so FTB can calculate the credit. If you received the letter, please complete and return it to FTB as soon as possible to claim the Cal EITC. If you know someone that received the letter, please encourage them to complete and return it. For more information visit https://www.ftb.ca.gov/aboutFTB/Public_Service_Bulletins/2016/25_06292016.shtml or call FTB at 1-800-852-5711 with any questions regarding the Cal EITC Worksheet.

IN OTHER NEWS..

Check Your Income Based Repayment (IBR) Payment, It May Be Too High

Are you one of the four million borrowers paying your federal student loan(s) under an income based repayment plan (IBR)? For those in the IBR program, or applying for it, it is important to make sure your lender or loan servicer has calculated your bills correctly. Here is what you can do to ensure that your monthly IBR payment has been calculated correctly: Check the federal income tax information you used when you applied for IBR and find your adjusted gross income (AGI). Your AGI will appear on line 37 if you filed a federal form 1040, line 4 if you filed a 1040EZ, and line 21 if you filed a 1040A. Plug your AGI into the Repayment Estimator found on website: <https://studentloans.gov/myDirectLoan/mobile/repayment/repaymentEstimator.action>



If the resulting estimated payment is significantly lower than your actual IBR payment, your lender or loan servicer may have miscalculated your monthly IBR payment. If you believe your IBR payment is too high, contact your lender or servicer directly and attempt to resolve the problem with them. If you are having trouble getting the help you need, contact the Federal Student Aid Ombudsman to report a complaint. You may contact the Federal Student Aid Ombudsman by mail at the following address: U.S. Dept. of Education FSA Ombudsman Group P.O. Box 1843 Monticello, KY, 42633. Or, by phone: 1-877-557-2575.

You can also go online to: <https://studentaid.ed.gov/sa/repay-loans/disputes/prepare/contact-ombudsman> and submit an online request for assistance. When you submit an online assistance request, the initial response from the Ombudsman Group will be in the form of an email. Make sure to check the settings on your spam filter and folder to allow receipt of messages from octsreply@ed.gov.

Apply for Free Funding for College Now!

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 filling 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 other than the official ones, which may ask you for a monetary fee.



CASH FOR C//LLEGE

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:

1. Submitted a 2017-2018 Free Application for Federal Student Aid (FAFSA) or a 2017-2018 California Dream Act Application (CADAA). — *Available October 1, 2016*
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>



Congratulations Scott Mittan of the Oakland District Office



Please join us in congratulating Scott Mittan of the Oakland District Office on his promotion to Supervising Tax Auditor III, District Principal Auditor. Prior to this promotion, Scott was a Supervising Tax Auditor II. He joined the staff at the BOE in October 1996 as a Business Taxes Representative in the BOE's Compliance Department. In this position, Scott oversaw a large caseload of tax and fee payers. After two years, Scott transitioned to the Audit Department where he managed sales and use tax audits of multiple Fortune 500 companies in the Bay Area.

For the past five years, Scott has supervised a team of Auditors for the Oakland District Office. Originally from Orange County, CA, Scott moved to Berkeley in 1990 to attend the University of California, Berkeley where he obtained a Bachelor of Arts degree in Political Economy. His interest in politics keeps him engaged in his local government where he is vice chair of the Dublin Planning Commission.

Under Scott's leadership, the Oakland District's Audit staff will be well prepared to carry out its responsibilities with professionalism and pride while observing the tenets of the Ma Squad Core Principles.

Happy Birthday D2 Employees

Oct. 01	Shoole Sabeghi
Oct. 02	Bing Yee
Oct. 04	Elizabeth Contreras
Oct. 06	Patty Schapiro
Oct. 08	Joseph Santos Jr.
Oct. 11	Shandra Njoku
Oct. 14	Joey Luiz
Oct. 16	Ba Maung
Oct. 16	Reynaldo Malimban
Oct. 16	Sabrina Calzada
Oct. 21	Xuefang Huang
Oct. 23	Eric Enriquez
Oct. 25	Daljit Kaur
Oct. 28	Linbo Guo
Oct. 30	Julia Zhu



BOE Employee Organizes Blood Drive



*Blood drive donors are the Heroes of San Jose!
Left to right on photo: Ricardo Luna, Organizer
Gloria Quiroz, Martha Hernandez, Jamie Perron,
& Pierre Floro.*

Gloria Quiroz from the San Jose district office gave up one vacation day to help organize a blood drive with the Blood Centers of the Pacific (www.bloodheroes.com) and a bone marrow drive with Asian American Donor Program (www.aadp.org). Since 1941, Blood Centers of the Pacific (BCP) has been the link between blood donors and patients. BCP supplies blood to 50 hospitals throughout Northern California and a total of 50,000 patients each year receive the Gift-of-Life! Volunteer donors are the heroes who donate blood to leukemia, cancer patients, bone marrow recipients, and heart surgery patients. Blood is also given to severe burn victims, anemic patients, and sickle cell anemia patients, which affects 80,000 people in U.S., many of them are of African-American descent.

It was a lifesaving event at the San Jose State Alquist Building because AADP.org was able to register 16 new potential donors to diversify the bone marrow register to help cancer patients. If you are interested in donating blood or bone marrow, please visit www.aadp.org or www.bloodheroes.com for events.

Photo and information contributed by Gloria Quiroz

October is Domestic Violence Awareness Month

In 1989, Congress officially designated October National Domestic Violence Awareness Month. According to the National Coalition against Domestic Violence, nearly 20 people per minute are physically abused by an intimate partner in the United States. During one year, this equates to more than 10 million women and men. 1 in 3 women and 1 in 4 men have been victims of [some form of] physical violence by an intimate partner within their lifetime.

The Silent Witness Initiative began in 1990 by promoting and educating to support an end to domestic violence through community based exhibits. These exhibits honor the lives of victims of domestic violence through a visual representation consisting of life-sized, red laminated silhouettes accompanied by a personal story. The goal of each exhibit is to create an engaging display that will rally community support around this issue.

Chairwoman Ma will be hosting a silent witness exhibit in the State Building of San Francisco's Civic Center starting October 3, 2016 at 455 Golden Gate Ave.

You can join efforts and raise awareness about domestic violence by visiting

<http://nnedv.org/getinvolved/dvam.html>



Taxpayer's Corner: My Appeal to the BOE

A not-so-funny thing happened while riding my bicycle to work in the Winter of 2014. I was blindsided by an SUV and rushed to the emergency room. Two years and five surgeries later, I regained the use of my right leg and I'm back on the bike path. Sadly, the economic damage from the accident was immediate and long lasting. Our small business falls under the category of "Mom and Pop" without the Mom. My wife and other family members are busy with their own careers and college. We were totally unprepared to run our business from home and or the hospital. (We have subsequently corrected this issue just in case.) Accounts payable to several vendors and the Board of Equalization lapsed, so I appealed to the Office of Fiona Ma for assistance. My question was simple. Would my catastrophic event qualify for penalty reduction during the tax period which required surgery and periods away from the office? Executive Assistant Patricia Shapiro helped me start the process to file the appeal, and returned every E-mail and telephone inquiry in a timely and professional manner. Frankly, I didn't know what to expect. Much to my surprise, I was notified less than 15-business days after filing the inquiry. The answer was a portion of the penalty and associated fees would be credited back to our BOE account. What impressed me the most during this episode was Ms. Schapiro's personal interest and concern with our application. Customer Service is a priority at Hayward Ace Hardware and was also instilled at the Hayward Chamber of Commerce during my tenure as CEO. From my experience, customer service is also a top priority at the offices of Fiona Ma.

- *Jim Wieder, Hayward Ace Hardware*

National Shake Out Day on Oct. 20

After witnessing the devastating effects of the 6.2 magnitude earthquake that hit central Italy in August, Californians are reminded of scientists' warnings of a giant earthquake that could hit California at anytime. The Great Shake Out Earthquake Drills is a worldwide, simultaneous annual event providing opportunities for people in schools, homes, and organizations to rehearse what to do during earthquakes and to better one's preparedness. Take some time to: stock up on dry foods (for humans and pets) and fresh water supplies, review and develop an emergency plan/kit with friends and family, update contact lists, and practice evacuation procedures. After an earthquake, it could take a long time for things to go back to normal again, so always be prepared for the worst situation. Join more than 18.1 million people that have registered for this year's Shake Out by registering today. For more information, visit <https://shakeout.org/>.



Article by MaSquad Jaxon Kwong

MaSquad on the Road



Celebrating Korean Culture Festival with Asian community leaders.



Thank you Senator Jim Nielsen, Supervisor Bob Williams, Chief Administrator Bill Goodwin for attending our Tehama Small Business Seminar



Congratulations to Yoana Darmasaputra and Mike McGuinness from our BOE Audit team!



Recognizing the Sunset Youth Services at the 22nd Annual Sunset Community Festival



Our webinar had over 900 views! Thank you BOE for creating the first of many BOE webinars



Celebrating Cal EITC with Controller Betty Yee, staff, and volunteers

Upcoming Events:

Brentwood Small Business Seminar

Wednesday, October 19, 2016, 9:00am – 12:30 pm
Brentwood Community Center
35 Oak Street, Brentwood, CA 94513

Tips for Record Keeping Webinar

Tuesday, October 18, 2016, 10:00am
Please register by Monday, October 17, 2016 for this educational webinar to learn how to keep accurate records, tips for buying a point of sale system, and types of records needed for your industry at <http://www.boe.ca.gov/ma/webinars/> .

If you need assistance with online registration, please call 1-888-847-9652

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

BOE Tips for Making Sales in California Webinar

AVAILABLE NOW AT:
<http://www.boe.ca.gov/ma/webinars/>

Newsletter Subscription

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

<http://www.boe.ca.gov/ma/newsletters/>

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



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