



**BOARD OF EQUALIZATION**  
**CUSTOMER SERVICES AND ADMINISTRATIVE**  
**EFFICIENCY COMMITTEE MEETING MINUTES**

HONORABLE BILL LEONARD, COMMITTEE CHAIR

450 N STREET, SACRAMENTO

MEETING DATE: AUGUST 19, 2008, TIME: 9:30 A.M.

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**ACTION ITEMS & STATUS REPORT ITEMS**

**Agenda Item No: 1**

**Title: Security Deposit Program Update**

**Issue/Topic:**

Update regarding the programming changes to include the new security deposit release criteria and revisions made to Compliance Policy and Procedures Manual (CPPM), Chapter 4, *Security*.

**Committee Discussion:**

Committee Chair Bill Leonard opened the Committee meeting by introducing the agenda items and asked staff to give an update on the Security Deposit Program and on E-Services.

Ms. Randie Henry, Deputy Director, Sales and Use Tax Department, provided an update on the progress for revising and modernizing the security deposit program since the last update provided in May. Ms. Henry indicated that the district offices and the Property and Special Taxes Department divisions continue to work the security deposit report each month and all security deposits eligible for release are being released before the end of the month.

Ms. Henry also reported that on July 21, 2008, the Technology Services Division completed the programming changes needed to include the new criteria for the Active Security Three Years and Older Report. In addition, the programming to automatically generate the security denial letters is on schedule for implementation on August 30, 2008.

Further, CPPM 405.035 has been revised to incorporate the new criteria release policy. The revisions are currently posted on the Board's website for public comment. Additional revisions to the entire chapter are in internal clearance and will be completed in December. In addition, staff is currently working on the preliminary stages of evaluating enhancements to the security deposit program that would allow cash security deposits posted through BOE to be transferred to a financial institution where it would be held in an escrow account. Ms. Henry hopes to have an evaluation of whether the Board can use this service in the near future.

Mr. David Gau, Deputy Director, Property and Special Taxes Department, indicated that Special Taxes Department staff participated and are part of the policy and procedures changes. He reported that his staff continues to work the security deposit report each month and all security deposits eligible for release are being released before the end of the month.

Mr. Leonard asked if statutory changes are being pursued to conform Special Taxes programs to Sales and Use Tax. Mr. Gau confirmed indicating that changes are currently being pursued regarding the Alcohol Beverage Tax.

Board Member Steel asked for information regarding audits of taxpayers who request a deposit refund. Ms. Henry explained that an account is not audited on the basis of the request for refund; however, if the account was selected for audit before the taxpayer requested a refund, the audit will not be cancelled.

### **Committee Action/Recommendation/Direction:**

None.

### **Committee Materials:**

- Security Deposit Program Update Memorandum.

## **Agenda Item No: 2**

### **Title: E-services Update**

#### **Issue/Topic:**

Update regarding the Board of Equalization's electronic services (e-services) projects, activities and outreach efforts.

### **Committee Discussion:**

Mr. Jeffrey McGuire, Chief, Tax Policy Division, reported that on July 21, 2008, the last phase of the 2007-08 E-file infrastructure Project was completed. As a result, over 97% of taxpayers are eligible to e-file.

Mr. McGuire indicated that they are in the pre-planning phase for the E-services Expansion Project for fiscal year 2008-2010. This will include E-filing for fuel retailers and distributors, Underground storage tanks, E-waste, tire recycling, and cigarette manufactures and distributors. The largest component of this project is the implementation of Internet registration for all tax and fee programs to include online requests for installment payment agreements, return filing extensions, relief of penalty requests, and declarations of timely mailing.

Mr. McGuire also stated that staff is currently in the first phase of the Electronic Transition Plan that is designed to transition up to 50% of the sales and use tax filers from paper returns to e-filing.

In addition, with the help of the Web and Media Services Section, some of the web pages were redesigned to improve usability and make e-filing easier to find and use on the BOE website; updates have been made to the Basic Sales and Use Tax Class for taxpayers to include e-filing and the Spanish version is scheduled for release next month; Publication 159, *E-file Guide*, is

currently being translated into Spanish, Chinese, Korean, and Vietnamese. District offices are now holding e-filing clinics at the end of each quarter and e-filing information is being included in all outreach events.

As a result of all of these efforts, e-filing participation continues to grow and staff continues to receive positive feedback from taxpayers who use the e-file system.

Board Member Yee commended staff on the work and the enhancements accomplished with the Electronic Services program.

Board Member Chu also commended staff on their work and asked what goals the program is looking to achieve in near future. Mr. McGuire indicated that the program goal is to increase the number of taxpayers using e-file by 25% - 50 %.

Mr. Leonard commended staff and stated that he is pleased with what the E-services Team has accomplished.

### **Committee Action/Recommendation/Direction:**

Committee Chair Bill Leonard directed staff to continue providing e-services updates.

### **Committee Materials:**

- Electronic Services Update Memorandum

/s/ Bill Leonard

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Honorable Bill Leonard, Committee Chair

/s/ Ramon J. Hirsig

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Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the August 20, 2008 Board Meeting

/s/ Diane Olson

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Diane Olson, Chief  
Board Proceedings Division