



BOARD OF EQUALIZATION

**CUSTOMER SERVICE AND ADMINISTRATIVE
EFFICIENCY COMMITTEE MEETING MINUTES**

HONORABLE JOHN CHIANG, COMMITTEE CHAIR

450 N STREET, SACRAMENTO

JANUARY 3, 2001, 9:30 A.M.

ACTION ITEMS & STATUS REPORT ITEMS**Agenda Item No: 1****Title:** Report on the .25 Percent State Sales and Use Tax Decrease**Issue/Topic:**

Implementation efforts and notification to retailers of the .25 percent tax rate decrease.

Committee Discussion:

It was reported to the Board that a special notice was mailed to all active SUTD accounts on November 20, 2000.

It has been brought to the Committee's attention that several retailers are collecting an incorrect amount of tax. Committee members have received complaints that several retailers are continuing to collect the tax rate in effect in 2000 and wanted to know how staff wants to handle the complaints. It was decided that complaints should be forwarded to SUTD staff for resolution.

It was also noted that the same type of issues would occur if the tax rate continues to increase or decrease annually as provided by current statute. There was discussion about possible legislation to make the .25 percent tax rate decrease permanent and to inform the Legislature of the cost to the state and retailers to implement a tax rate change.

Board Member Johan Klehs requested the amount of tax revenue the .25% reduction represents be provided to the Board on January 4, 2001.

Committee Action/Recommendation/Direction:

The Committee directed staff to prepare a report for the Legislative Committee to convey the costs incurred by the state and retailers to implement a change to the tax rate.

Agenda Item No: 2

Title: Report on the Electronic Filing (e-filing) Project

Issue/Topic:

Status report on the implementation of the Board of Equalization electronic filing program

Committee Discussion:

It was reported that the Board of Equalization's electronic filing program will be placed into operation on January 9, 2001. Taxpayers making sales out of one location will be able to voluntarily file their tax return form BOE-401-A or BOE 401-EZ over the Internet through the use of application service providers. Presently, only one service provider is ready to offer this service. However, four additional service providers have indicated interest in participating. Staff is presently reviewing how best to enhance the program to include the larger, more complex taxpayers, and will be providing a report on the requirements for enhancing the program.

Committee Action/Recommendation/Direction:

The Committee directed staff to provide an update on how the program is running at the February 14, 2001 meeting, and a report on the requirements for enhancing the program at the March 28, 2001 meeting.

Agenda Item No: 3

Title: Report on the Organizational Effectiveness Teams' Activities

Issue/Topic:

Status report on the implementation of the Board of Equalization Organizational Effectiveness Teams' Activities.

Committee Discussion:

Mr. Speed provided an overview of the establishment and focus of the Organizational Effectiveness Teams. He noted that the individual teams would be presenting updates on their progress at the upcoming Committee meetings.

Board Member Andal asked that staff training efforts take a more systematic approach and focus on enhancing uniformity and depth of knowledge on the application of tax laws and rules.

Board Member Klehs expressed concern about the number of minorities currently appointed to managerial positions and the adequacy of past efforts to recruit minorities in general. In addition to offering to provide information on the staff's recruitment and outreach efforts, Mr. Speed informed the Committee that an independent study of the Equal Employment Opportunity Office has been conducted by Cooperative Personnel Services and that the final results of that study will be shared with the Board Members.

