

# Memorandum

**To** : Honorable Judy Chu, Ph.D., Chair  
Honorable, Betty T. Yee, Vice Chairwoman  
Honorable Bill Leonard  
Honorable Michelle Steel  
Honorable John Chiang

**Date:** February 29, 2008

**From** : Randie L. Henry, Deputy Director  
Sales and Use Tax Department

**Subject** : **Electronic Services Update**

This is to update you on the Board of Equalization's (BOE) electronic services (e-services) projects, activities and outreach efforts. This update covers the activities since the last report given at the December 11, 2007 Board meeting.

## **Fiscal Year 2007-08, E-Filing Infrastructure Project**

Listed below is the status of each of the five sub-projects (for sales and use tax accounts):

- **Pay by Check** - implemented November 19, 2007. Since implementation approximately 12% of e-filers have used this option.
- **Prepayment Prefill** - scheduled implementation April 7, 2008. This sub-project will provide the functionality to automatically populate returns with previously paid prepayment amounts. System testing is currently underway.
- **Electronic Funds Transfer (EFT) Web Payments** - scheduled implementation April 7, 2008. This sub-project will allow mandatory EFT accounts to e-file. System testing is currently underway.
- **Schedules B and C** - scheduled implementation July 21, 2008. This sub-project will allow accounts with multiple locations (that file schedules B and/or C) to e-file. Construction is currently underway.
- **Automation of Prepayment Delinquency Notices** - scheduled implementation June 30, 2008. This sub-project will automatically generate notices for prepayments.

## **Fiscal Year 2008-2010, E-Services Expansion Project**

The Feasibility Study Report for the E-Services Expansion Project has been approved by the Department of Finance. This project will:

- Expand e-filing to Fuel Retailers and Distributors and some Special Taxes and Fees programs including the Underground Storage Tank and Maintenance Fee, the Electronic Waste Recycling Fee, the California Tire Fee and the Cigarette and Tobacco Products Tax.
- Provide Internet registration for all tax and fee programs.
- Provide for on-line requests for extensions, relief from penalty and interest, and declaration of timely mailing.
- Create the ability for tax and fee payers to request an Installment Payment Agreement on-line.

**Express Login**

Approximately 50% of our electronic filers have used the Express Login since implementation on November 19, 2007. The new Express Login allows taxpayers to skip the registration process and go straight to e-filing a return or prepayment with just their account number and a unique Express Login Code assigned to their account. Taxpayers can still register to become an e-client or they can use the new Express Login.

**E-Services Contacts**

E-Services Contacts continue to meet on a quarterly basis. The meetings provide training on new implementations, information sharing between the districts and headquarters, and strategies for increasing taxpayer participation. The E-Services Contacts promote e-services and offer first line support in their offices.

**E-Client Registration for New Seller's Permits**

In an effort to increase e-filing participation, the Seller's Permit registration process now includes E-Client registration. Members of the E-Services staff along with the E-Services Contacts in each district office trained all registration staff on the new process. Effective February 1, 2008, all new applicants that are eligible to e-file will now be registered as E-Clients, as long as they have an e-mail address.

**District Office Orientation**

In December and January, members of the E-Services Team visited each district office and some of the branch offices to provide an overview of e-services. Staff was given a demonstration of the e-filing system including filing a return, prepayment and the three different payment methods. Future enhancements were discussed. Staff were presented the benefits of e-filing for taxpayers, staff and the Board. Goals for e-filing participation were also discussed.

**Taxpayer E-filing Assistance Clinics**

During the last week of January, four offices piloted clinics to assist taxpayers coming into district offices to e-file their returns. Clinics were piloted in Norwalk, Sacramento, Santa Rosa and Fresno. Taxpayers coming into the district office to submit their return and payment or for assistance with completing a return were directed to e-file. Staff assisted taxpayers to e-file their return and make their payment. Staff reported a positive reception from taxpayers. Beginning with the April filing period, all offices will offer e-filing assistance to taxpayers coming into the office.

We continue to see e-filing participation increase. In January 2008, 19,744 returns were e-filed which is our largest month to date. As of January 31, 2008, 55,191 returns and prepayments have already been e-filed for the 2007-08 fiscal year. The number of e-filed returns for this fiscal year has already surpassed all of fiscal year 2006-07 (50,828).

Thank you for your continued support of our e-services programs. If you have any questions regarding the information provided, please feel free to contact me at (916) 445-1441 or Mr. Jeffrey McGuire at (916) 324-1825.

RLH:mlm:

Honorable Board Members

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cc: Mr. Steve Shea

Mr. Alan LoFaso

Ms. Barbara Alby

Mr. Erik Caldwell

Ms. Marcy Jo Mandel

Mr. Ramon J. Hirsig, MIC 73

Mr. David Gau, MIC 63

Ms. Liz Houser, MIC 69

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Mr. Jeffrey McGuire, MIC 92

Ms. Michelle Maciel, MIC 92

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Honorable Board Members  
bc: Ms. Freda Orendt, MIC 47  
Mr. Steve Rudd, MIC 46  
Mr. Joseph Young, MIC 49

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