



BOARD OF EQUALIZATION

**CUSTOMER SERVICES AND ADMINISTRATIVE  
EFFICIENCY COMMITTEE MEETING MINUTES**HONORABLE MICHELLE STEEL, COMMITTEE CHAIR  
450 N STREET, SACRAMENTO

MAY 30, 2012, 10:00 A.M.

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**ACTION ITEMS & STATUS REPORT ITEMS**

5.25

**Title:** Electronic Registration (eReg) Marketing and Outreach Plan.**Issue/Topic:**

Presentation of the eReg marketing and outreach compliance plan, including examples of the new eReg educational and marketing materials.

**Committee Discussion:**

Committee Chair Michelle Steel opened the Committee Meeting by introducing Agenda Item 1 and asked staff to give a report.

Mr. Jaime Garza, Deputy Director, External Affairs Department, introduced Ms. Kari Hammond, Division Chief, External Affairs Department, Outreach Services Division.

Ms. Hammond gave a brief summary of the educational and outreach activities planned to notify the public of the change in the current BOE process and to encourage compliance when registering for applicable permits, licenses or account via eReg.

She stated that Outreach Services Division (OSD) was in Phase One, pre-launch partnering. Staff has reached out and is talking about the benefits of e-Reg with partner organizations that include Small Businesses Development Centers, Chambers of Commerce and Local Governments.

Ms. Hammond described Phase Two and Three. Phase Two will be the post-launch awareness and compliance. Activities will include promoting eReg by sending out press releases, social marketing, BOE events and Speaker Bureau events. Phase Three will be the ongoing compliance. Learning how eReg is working for our customers and adjusting our efforts where there is a need.

Mr. Garza presented the posters, brochures and 1/3 sheet flyers designed to inform customers about eReg.

Mr. Garza concluded the presentation and asked if there were any questions.

Committee Chair Michelle Steel thanked staff for the report and commented that we (BOE) are now moving into the future.

Board Member Betty Yee thanked Committee Chair Steel and staff for the report.

Chairman Jerome Horton thanked staff for the report and for the progress being made.

Committee Chair Michelle Steel moved on to Agenda Item 2.

**Committee Action/Recommendation/Direction:** None

**Committee Materials:** Power Point Presentation

**Agenda Item No: 2**

**Title:** Underground Economy Educational Materials.

**Issue/Topic:**

Presentation of the new educational materials available to inform the public about the Underground Economy.

**Committee Discussion:**

Committee Chair Michelle Steel introduced Agenda Item 2 and asked staff to commence.

Mr. Jaime Garza, Deputy Director, External Affairs Department gave a summary of the educational and outreach activities planned to raise awareness about the Underground Economy. Mr. Garza presented posters and brochures designed to address different audiences.

Mr. Garza concluded his presentation and asked if there were any questions.

Board Member George Runner thanked the staff for a cleverly done and for a very clear positive message denoting the consequences of buying from the Underground Economy.

Board Member Betty Yee asked if we are reaching out to other partner agencies.

Mr. Garza responded that External Affairs has reached out and sent the materials to law enforcement and other state agencies.

Committee Chair Michelle Steel thanked staff and moved to Agenda Item 3.

**Committee Action/Recommendation/Direction:** None

**Committee Materials:** Power Point Presentation.

## **Agenda Item No: 3**

**Title:** Discussion of the Harris Interactive Poll on Use Tax.

### **Issue/Topic:**

Discussion of a consumer survey on Use Tax, conducted by Harris Interactive, Inc.

### **Committee Discussion:**

Committee Chair Michelle Steel introduced Agenda Item 3 and asked staff to commence

Mr. Jaime Garza, Deputy Director, External Affairs Department, introduced Ms. Liz Houser, Deputy Director, Administration Department and Ms. Regina Corso, Senior Vice-President, Harris Interactive, Inc.

Mr. Garza stated that Harris developed the survey in consultation with BOE staff. The poll was conducted to obtain information on Californians' attitude and perception of the use tax. The Poll results were included in a report to the Legislature as support documentation for the BOE Tax Gap II budget change proposal.

Ms. Corso gave a summation of the methodology used and the results. The survey indicated that 78% of Californians did not know what use tax was prior to taking the survey. Upon learning about use tax, over half (57%) of California residents said they would be likely to pay use tax.

Ms. Corso in her preliminary conclusions and implications stated that the survey results indicate the need for education about use tax and the need to overcome opposition (about paying use tax). She stated that it is possible to develop a successful campaign to educate the public about use tax, but many factors would need to be thoughtfully considered and leveraged in the process.

A key motivator for compliance is the basic understanding that there is a legal requirement to do so. The survey revealed that Californians value important government services. A campaign that emphasizes the role that use tax can play in supporting these services may help encourage compliance. Furthermore, the survey indicated Californians believe retailers should carry the responsibility of paying sales tax.

Ms. Corso concluded the presentation and asked if there were any questions.

Board Member Betty Yee asked Ms. Corso what the survey indicated about the role of retailers. Ms. Corso responded that the survey results indicate that many think the retailer should collect the tax.

Ms. Yee asked staff for clarification on how this survey fit into other activities being done (e.g. in-house survey, banner ads, use tax line on income tax returns) and staff's plan for next steps using survey findings.

Ms. Liz Houser replied that the current survey was done at the recommendation of the California State Legislature and in consultation with BOE staff. BOE found current year resources to contract with Harris Interactive, Inc. The findings were presented to the Legislature to support the BOE 2012-13 Tax Gap BCP.

Board Member George Runner asked if the survey was geared towards all Californians or just those with computers. Ms. Corso responded by stating that the poll was done by both telephone and the internet and that results are properly extrapolated to the California population at large.

Ms. Yee asked Ms. Corso where the figure of \$76 million recovery for California came from. Staff responded Research and Statistics provided the figure.

Ms. Yee told staff they should be aware that the provisions now codified in AB 155 could change the landscape.

Ms. Yee said she would like to see a plan and timeline to include next steps, targeted audience and resources. Staff suggested a two to three month timeframe for developing the plan.

Discussion was had by Board Members regarding poll results that revealed that consumers were willing to pay use tax, if the tax was done at the time of sale versus having to report it on a personal income tax return. Mr. Runner stated the question asking if retailer or purchaser should pay use tax may not have been worded correctly to obtain a clear answer.

Mr. Runner asked Mr. Garza to work with Research and Statistics to find out if the poll results change the BOE Tax Gap revenue estimate.

Chairman Jerome Horton stated that the demographic details in the poll results should be helpful in developing an education outreach campaign. He also stated that the BOE has been doing an exceptional job to educate Californians about use tax with limited existing resources.

Committee Chair Michelle Steel thanked staff for the report and then adjourned the meeting.

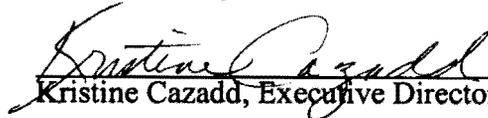
**Committee Action/Recommendation/Direction:** Mr. Garza has been asked to come back and present a timeline for use tax outreach efforts.

**Committee Materials:** Harris Interactive, Inc. Poll Results.

Approved:

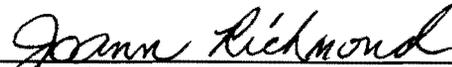


Michelle Steel, Committee Chair



Kristine Cazadd, Executive Director

At the May 30, 2012 Board Meeting



Joann Richmond, Chief  
Board Proceedings Division