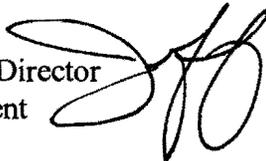


Memorandum

To: Honorable Betty T. Yee, Chairwoman
Honorable Jerome Horton, Vice Chair
Honorable Michelle Steel, Member, Third District
Honorable John Chiang, State Controller
Ms. Barbara Alby, Acting Member, Second District

Date: December 14, 2010

From: Jeffrey L. McGuire, Deputy Director
Sales and Use Tax Department



Subject: **Business Taxes Committee Meeting – December 14, 2010**
MINUTES

Attached are the minutes from the Board's Business Taxes Committee meeting of December 14, 2010, which will be presented to the Board during the December 14-15, 2010 meeting.

Attachment

cc: Ms. Kristine Cazadd
Ms. Diane Olson (signed minutes + 17 copies)
Mr. Alan LoFaso
Mr. Robert Thomas
Ms. Marcy Jo Mandel

December 14, 2010



BOARD OF EQUALIZATION

BUSINESS TAXES COMMITTEE MEETING MINUTES

HONORABLE BETTY T. YEE, COMMITTEE CHAIR

450 N STREET, SACRAMENTO

MEETING DATE: DECEMBER 14, 2010, TIME: 10:30 A.M.

ACTION ITEMS & STATUS REPORT ITEMS

Agenda Item No: 1

Title: Proposed changes to Regulation 1616, *Federal Areas*, regarding Sales to Landless Tribes

Issue/Topic:

Approval sought to begin a process with tribal leaders and interested parties to discuss the need for rulemaking to clarify whether a limited exemption from sales and use taxes exists for sales to and purchases by officially recognized landless Indian tribes of tangible personal property for use by their tribal governments in the governance of tribal members or for the acquisition of trust land.

Committee Discussion:

Staff presented the issue and explained that staff has been working with tribal leaders and interested parties to revise Publication 146, *Sales to American Indians and Sales on Indian Reservations*. Three meetings with tribal leaders and interested parties have been held to discuss the issues. The issue regarding the application of tax on sales to landless tribes has been repeatedly raised by tribal leaders and interested parties. Therefore, staff is recommending a process in working with tribal leaders and interested parties to amend Regulation 1616 to clarify the provisions of a limited exemption for sales of tangible personal property to landless Indian tribes under specific limited circumstances.

Committee Action/Recommendation/Direction:

Upon motion by Ms. Steel, seconded by Mr. Horton, the Committee unanimously referred the matter to a tribal leaders and interested parties process.

Honorable Betty T. Yee, Committee Chair

Kristine Cazadd, Interim Executive Director

BOARD APPROVED

at the December 14, 2010 Board Meeting

Diane Olson, Chief

Board Proceedings Division