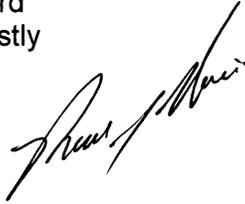


Memorandum

To : Honorable John Chiang, Chair
Honorable Claude Parrish, Vice Chairman
Ms. Betty T. Yee, Acting Board Member
Honorable Bill Leonard
Honorable Steve Westly

Date: November 1, 2005

From : Ramon J. Hirsig
Executive Director



Subject : **Electronic Services Update**

This is to provide you with an update on the Board of Equalization's (BOE) efforts to implement the in-house electronic filing (e-filing) option and the other electronic services (e-services) initiatives that are in various stages of development. This update covers the activities since our last report at the August 31, 2005 Board Meeting. Listed below are the major highlights of each of the e-services initiatives.

Initiative I, In-house E-Filing Project

- Development of BOE's in-house e-filing option, BOE-file, was completed and implementation of the system occurred on September 26, 2005. To date, we have received 852 transactions through BOE-file.
- In an ongoing effort to improve customer service, information from taxpayers that voluntarily respond to the survey at the end of the BOE-file system is being captured. Comments received have been very positive. Out of 154 surveys, only two have indicated that they would not use BOE-file again. All comments are being promptly responded to when an e-mail address is provided and are being used to make the system more user friendly.
- Outreach efforts promoting the e-filing program continue. A mail stuffer announcing "BOE-file" was included in the third quarter sales and use tax mailing. Posters for the program have been distributed to district offices, industry groups, and chambers of commerce, and will be used at small business fairs. A tri-fold brochure (Pub-144, Introduction to E-Filing) has been completed and distributed to the district offices. The brochure will also be used at small business fairs and special events and is available on the BOE's website.
- Phase 2 of the project that will provide the taxpayer with the option to discontinue receiving a paper tax return is in process. The development of the business requirements for Phase 2 has been completed and the physical design is in progress.

Initiative II, E-Filing Expansion

Final approval of the Feasibility Study Report submitted to the Department of Finance is pending. In the interim, staff has begun the preliminary analysis needed to develop a high-level schedule of tasks required for the project. In addition, development of a rollout plan of the various components is in process.

Initiative III, E-Services Expansion

A draft of the high level business requirements and process flows for Initiative III has been completed, reviewed and prioritized by a core group of business managers. The following key deliverables in process include:

- Final business flow diagrams of proposed systems
- High level description of existing systems
- High level requirements for Initiative III
- Cost benefits for Initiative III
- Recommended architecture and web productivity tools
- Recommendations for Initiative III

Thank you for your continued support as we move forward with these important e-services initiatives.

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cc: Executive Team
Ms. Michelle Maciel