



**STATE BOARD OF EQUALIZATION**

TAXPAYERS' RIGHTS ADVOCATE OFFICE MIC: 70  
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CYNTHIA BRIDGES  
Executive Director

August 8, 2014

Mr. John F. Kelly

Dear Mr. Kelly:

Thank you for your participation in the June 24, 2014, Taxpayers' Bill of Rights Hearings held in Culver City. I appreciate you taking the time to express your enforcement concerns regarding California's taxation of cigar distributions.

As directed by Honorable Chairman Jerome E. Horton, immediately following your presentation on June 24th, three members of BOE management – Executive Director Cynthia Bridges, Chief Deputy Director David Gau, and Chief Counsel Randy Ferris – spoke to you about the limits of the State of California's authority relative to the federal government and federal laws like the PACT Act. In addition, I understand Mr. Ferris contacted you by phone on July 10, 2014, to discuss the matter further.

Thank you again for expressing your concerns at our annual hearing. If you have any further questions regarding this matter, you may wish to contact Chief Counsel Randy Ferris, who may be reached at 1-916-445-4380.

Sincerely,

Todd C. Gilman  
Chief, Taxpayers' Rights and  
Equal Employment Opportunity Division

TCG:ls  
Kelly 080814.docx

cc: Honorable Jerome E. Horton, Chairman  
Honorable Michelle Steel, Vice Chair  
Honorable Betty T. Yee, Board Member, First District  
Senator George Runner (Ret.), Second District  
Honorable John Chiang, State Controller

Ms. Marcy Jo Mandel, Deputy State Controller  
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Mr. James Kuhl, Board Member's Office, Second District  
Ms. Cynthia Bridges, Executive Director, MIC 73  
Mr. David Gau, Chief Deputy Director, MIC 101  
Mr. Randy Ferris, Chief Counsel, MIC 83  
Mr. Robert Tucker, Assistant Chief Counsel, Tax and Fee Programs Division, MIC 82  
Mr. Jeffrey McGuire, Deputy Director, Sales and Use Tax Department, MIC 43  
Ms. Lynn Bartolo, Chief, Special Taxes Policy and Compliance Division, MIC 57  
Ms. Michele Pielsticker, Chief, Legislative and Research Division, MIC 66  
Mr. Dan Leddy, Manager, Taxpayers' Rights Advocate Office, MIC 70  
Ms. Lauren Simpson, Taxpayers' Rights Advocate Office, MIC 70