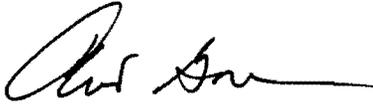


# Memorandum

To: Honorable Jerome E. Horton, Chairman  
Honorable Michelle Steel, Vice Chairwoman  
Honorable Betty T. Yee, First District  
Honorable George Runner, Second District  
Honorable John Chiang, State Controller

Date: September 9, 2011



From: Anita Gore, Deputy Director  
External Affairs Department

Subject: **Board Meeting: September 20-21, 2011, Item P7**  
**Use Tax Survey for Board Approval**

Attached is a use tax survey for your approval. Once approved, the survey will be distributed at BOE events and to existing lists of interested parties, tax practitioners, and other stakeholders.

AG:cw

Attachment

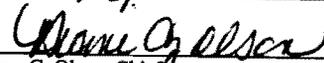
Approved:   
Kristine Cazadd  
Interim Executive Director

## STATE BOARD OF EQUALIZATION



BOARD APPROVED 

At the September 21, 2011 Board Meeting

  
Diane G. Olson, Chief  
Board Proceedings Division

## Tax Survey

This is an anonymous survey designed to help the State of California learn important information about what people know about current tax law.

**1. Age**

- Under 21       21 - 35       36 - 50       51 - 64       65 and over

**2. Gender**

- Male                       Female

**3. What is your household income level?**

- Under \$30,000                       \$30,000 - \$50,000                       \$50,000 - \$100,000  
 \$100,000 - \$200,000                       \$200,000 - \$250,000                       More than \$250,000

**4. Ethnicity**

- American Indian                       Alaskan Native                       Asian  
 Black                       Filipino                       Hispanic  
 Pacific Islanders                       White                       Other \_\_\_\_\_

**5. Education level**

- Did not complete high school                       High School Graduate  
 Some college                       Undergraduate degree  
 Graduate degree                       Doctorate

**6. Are you familiar with the California State Board of Equalization?**

- Yes                       Yes, but don't know what it does                       Have never heard of it

**7. Do you know what "use tax" is?**

- Yes                       No

**8. Are you aware that when you buy tangible goods (like shoes, traditional books) from out-of-state mail order, over the phone, or Internet sellers, if tax is not collected, you are required by law to pay the equivalent of California's sales tax to the Board of Equalization?**

- Yes                       No

**9. Do you make mail order, over the phone, or Internet purchases from out-of-state sellers?**

- Yes                       No

**10. How much do you spend annually on mail order, over the phone, or Internet purchases from out-of-state sellers?**

- Less than \$100                       \$100 - \$500                       \$500 - \$1,000  
 \$1,000 - \$2,500                       \$2,500 - \$5,000                       More than \$5,000

**11. If you paid use tax on mail order, over the phone or Internet purchases from out-of-state sellers, how did you pay it?**

- On my state income tax return                       To BOE directly as a consumer use tax payer  
 To BOE as a registered retailer                       To BOE directly as a "qualified purchaser" (service industry business)  
 To the retailer

**12. If you did not pay use tax, why not?**

- |   |   |
|---|---|
| <input type="checkbox"/> Retailer did not charge                                    | <input type="checkbox"/> I did not believe I would get caught                 |
| <input type="checkbox"/> Unaware of the law   | <input type="checkbox"/> I pay too much tax already                           |
| <input type="checkbox"/> A tax preparer has not told me I have to pay               | <input type="checkbox"/> I don't make purchases subject to use tax            |
| <input type="checkbox"/> A tax preparer specifically told me I don't have to pay it | <input type="checkbox"/> Because I disagree with the use tax, I simply refuse |
|   | <input type="checkbox"/> Because hardly anyone else pays it                   |

**13. Which of the following benefits would compel you to pay the use tax if you owe it but don't pay? Knowing that if people paid their use tax ...**

- |  |   |
|--|---|
| <input type="checkbox"/> Schools would be better funded  | <input type="checkbox"/> Libraries could remain open                                    |
| <input type="checkbox"/> Adult day care facilities could remain open   | <input type="checkbox"/> Parks could remain open and be maintained                      |
| <input type="checkbox"/> Police and firefighters would not have to be laid off                                 | <input type="checkbox"/> Money would be available in the event of a statewide emergency |
| <input type="checkbox"/> California retailers could compete on a level playing field with out-of-state sellers | <input type="checkbox"/> Other _____  |
|  | <input type="checkbox"/> None of the above  |

**14. Would you pay your use tax if you thought you would be penalized if you did not pay?**

- More likely                       Less likely                       No change

**15. State income tax forms have a line for entering the amount of use tax you owe. The two ways to calculate the use tax you might owe are:**

- a. Use an online look-up table that estimates your use tax liability based on your income, or  
b. Save receipts and enter the actual amount of use tax you owe, if any.

- If I owed use tax, I would be more likely to use the estimated amount listed on the table
- If I owed use tax, I would be more likely to save receipts and enter an actual amount of use tax owed based on my actual purchases
- I would enter \$0 for the amount of use tax owed because I do not make purchases subject to use tax
- Even if I owed use tax, I would enter \$0 for the amount of use tax owed (or leave the line blank) because I refuse to pay use tax

**16. Much like the way California retailers are responsible for reporting and payment of sales tax, a new law was enacted in late June 2011 requiring out-of-state retailers, who meet certain conditions, to collect the use tax due on sales to California purchasers. In your opinion, who should be responsible for the collection, payment and/or reporting of the use tax?**

- |   |   |
|---|---|
| <input type="checkbox"/> Out-of-State Retailers     | <input type="checkbox"/> Consumers        |
| <input type="checkbox"/> Out-of-State Manufacturers | <input type="checkbox"/> All of the above |

*there has been much discussion about*

Thank you for taking the time to complete this anonymous survey.