



**For Immediate Release**  
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### **Counterfeiters Beware --- Bill to Tax Dealers in Bogus Goods Clears Assembly**

**Sacramento** – Board of Equalization Chairman Jerome E. Horton today announced that BOE-sponsored legislation to crack down on large-scale counterfeit goods suppliers has overcome another legislative hurdle. [Assembly Bill 2681](#) moved off the Assembly floor today.

“Right now, if our investigators find a huge warehouse full of unstamped cigarettes, the law allows us to pursue the wholesaler for the unpaid cigarette excise tax,” said Chairman Horton. “If we find a similar warehouse filled with knock-off designer shoes or purses, we can’t go after the wholesaler for the sales tax on these items, but AB 2681 makes it lawful for us to do just that.”

If AB 2681 passes the Senate and is signed by the Governor, it will enable the state to impose sales tax on those convicted of trafficking in counterfeit goods at the wholesale level. Under current law, suppliers of counterfeit goods are able to avoid paying taxes, claiming their items are being sold to retailers who are then charged with collecting and paying taxes on sales to the BOE. This legislation will make them liable for the sales tax.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization’s Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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