



**For Immediate Release**  
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## **Bill to Hit Counterfeiters Where it Hurts Overcomes Committee Hurdle**

**Sacramento** – California State Board of Equalization Chairman Jerome E. Horton issued this statement upon passage of BOE-sponsored [Assembly Bill 2681](#) (Dababneh) out of the Assembly Committee on Revenue and Taxation on May 13, 2014.

“This legislation gives our investigators and our prosecuting partners more ammunition to go after lawbreakers operating in the shadows of the underground economy,” said Chairman Horton. “By making wholesale counterfeit goods subject to tax, the state can level the playing field and recover funds from those who have been taking advantage of the system.”

AB 2681 would require manufacturers, wholesalers, distributors, and retailers convicted of selling counterfeit goods to pay the sales tax on these goods, even if the goods were intended for resale. Sales of products to be resold are generally not subject to tax. If this bill becomes law, it will further deter trafficking in counterfeit goods, which pose possible dangers to consumers and undercut lawful businesses that sell goods legitimately and pay the correct amount of tax. Every year, the state estimates more than \$8.5 billion is lost in unpaid income, business, and sales taxes due to underground economic activity.

Chairman Horton also issued this statement about BOE-supported AB 1656 (Dickenson) that authorizes the Department of General Services to enter into a real property agreement in the Sacramento area to consolidate and relocate BOE’s headquarters from its troubled 450 N Street location. AB 1656 is being heard in the Assembly Appropriations Committee today.

“I am gratified that Assemblyman Roger Dickinson continues to champion this legislation for the health and welfare of BOE employees and for the taxpayers of California who are on the hook financially for a building in need of constant repair. This is one of the only high rise building in America with permanent scaffolding surrounding it to protect employees and the pedestrian public,” said Chairman Horton.

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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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