

**Jerome E. Horton**

CHAIRMAN, THIRD DISTRICT  
LOS ANGELES COUNTY

# CALIFORNIA STATE BOARD *of* EQUALIZATION

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*“It is important that we promote policies enabling tax fairness for all Californians. This assures nobody pays more or less than what they owe, to provide the public services which we all rely on and enjoy in our daily lives.”*

— **Jerome E. Horton**



## **Jerome E. Horton**

Chairman, Third District  
Los Angeles County

### **About Your Board Member**

Jerome E. Horton serves as the Board of Equalization Chairman, and member of the Franchise Tax Board. He is a chief advocate for California taxpayers. He was appointed to the California State Board of Equalization (BOE) by the Governor in 2009. He was re-elected for a third term as Board Member in 2014 to serve more than nine million Californians in the BOE’s new Third District, which includes Ventura County and portions of Los Angeles and San Bernardino counties. Horton has 36 years of public finance, policy, and administration experience, including 27 years of prior BOE experience at all levels of the organization. Horton is also the first African-American to be elected to the Board since its inception.



**Sen. George Runner (Ret.)**  
Lancaster  
First District



**Fiona Ma, CPA**  
San Francisco  
Second District



**Jerome E. Horton**  
Los Angeles County  
Third District



**Diane L. Harkey**  
Orange County  
Fourth District

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**Betty T. Yee**  
State Controller

## **History of the Board of Equalization**

The BOE is unique, holding the distinction of being the only elected tax board in the United States.

Composed of five Board Members, the BOE administers more than 30 tax and fee programs that generate revenue essential to our state. Additionally, the Board hears appeals from various business tax assessments, Franchise Tax Board actions, and public utility assessments. The BOE serves a significant role in the assessment and administration of property taxes by issuing rules and regulations, establishing the tax values of railroads and specified privately-held public utilities, and overseeing the assessment practices of the state’s 58 county assessors.

Public Board meetings offer taxpayers and other interested parties the opportunity to participate in the formulation of rules and regulations adopted by the Board, and to interact with the Members as they carry out their official duties. The Board meets monthly.

## PUBLIC HEARINGS

The Members of the Board are committed to protecting the rights, privacy, and property of taxpayers. As a result, they schedule yearly public hearings, which provide taxpayers an opportunity to express their ideas, concerns, and recommendations about programs and laws administered by the BOE. Board Members are interested in suggestions that will help taxpayers better understand California tax laws.

## APPEALS PROCESS

The BOE plays a significant role as the appellate body for the review of property, business, and income tax determinations. Board Members hear appeals from taxpayers regarding:

- Sales and Use Taxes; Corporation and Personal Income Taxes; Special Taxes and Fees; Timber Tax; State-Assessed Property Values; Welfare Exemption Claim Denials (on Organizational and Supplemental Clearance Certificate Denials)

In Fiscal Year 2013-14, taxpayers filed the following appeals with the BOE:

- 1,379 Sales and Use Tax
- 728 Consumer Use Tax
- 43,482 Special Taxes and Fees\*
- 38 Petitions from State-Assessed Public Utilities

\*The California Department of Forestry and Fire Protection (CAL FIRE) is responsible for decisions relating to the Fire Prevention Fee appeals, which numbered 42,865 in FY 2013-14. The remaining 617 appeals are related to other Special Taxes and Fees programs.

## TAXPAYER RIGHTS

The Board has appointed a Taxpayers' Rights Advocate to help resolve taxpayers' problems fairly and equitably. Reporting directly to the Executive Director, the Taxpayers' Rights Advocate can investigate complaints and delay certain BOE actions until an investigation is completed. The telephone number of the Taxpayers' Rights Advocate is 1-916-324-2798, or toll-free 1-888-324-2798.

## TAX PROGRAMS

The tax programs administered by the BOE are concentrated in three general areas—sales and use taxes, property taxes, and special taxes and fees. In Fiscal Year 2013-14, the BOE collected more than \$60 billion.

### Sales and Use Tax

Generally, sales tax applies to retail sales of tangible personal property sold in California. As of January 1, 2013, the statewide sales and use tax rate is 7.5 percent. However, the tax rate is higher in locations where voters approved one or more district taxes. District taxes range from one-tenth to one percent, and may be used for special services, such as mass transit programs, streets and roads, and other governmental services. The use tax, a complement to the sales tax, applies at the same rate for purchases made from businesses located outside the state where tax was not paid.

## Property Taxes

Property taxes, which make up the major source of revenue for California's 58 counties, accounted for \$52.3 billion in revenue in Fiscal Year 2013-14. Although the BOE does not assess local properties, it oversees the assessment standards and practices of each county assessor. The BOE directly assesses properties belonging to more than 400 privately-owned public utilities. In turn, those assessed values are used by counties to collect local property taxes. Two tax programs, the Timber Yield Tax and the Private Railroad Car Tax, are directly administered by the BOE.

## Special Taxes and Fees

The BOE is the sole administrative agency for these special tax and fee programs:

Cigarette and Tobacco Products Tax, Cigarette and Tobacco Products Licensing Program, Diesel Fuel Tax, Use Fuel Tax, and Interstate User Tax.

The BOE is one of several agencies charged with administration of the following special tax and fee programs:

Energy Resources Surcharge, Emergency Telephone Users Surcharge, Alcoholic Beverage Tax, Insurance Tax, Marine Invasive Species Fee, Childhood Lead Poisoning Prevention Fee, Occupational Lead Poisoning Prevention Fee, Integrated Waste Management Fee, Motor Vehicle Fuel Tax, Natural Gas Surcharge, Underground Storage Tank Maintenance Fee, California Tire Fee, Water Rights Fee, Electronic Waste Recycling Fee, Fire Prevention Fee, Environmental Fee Program, Disposal Fee, Facility Fee, Activity Fee, Generator Fee, Aircraft Jet Fuel Tax, Oil Spill Prevention and Administration Fee, Oil Spill Response Fee, and Lumber Product Assessment.

Revenues collected for all special tax and fee programs totaled \$10.9 billion in Fiscal Year 2013-14.



## SERVICES FOR TAXPAYERS

The BOE prides itself in being a leader in providing service-oriented programs and efficient tax administration. The BOE has developed many services that are designed to help taxpayers understand and comply with tax laws and to ensure that they are treated fairly and courteously.

In Fiscal Year 2013-14, the BOE

- Answered more than 625,000 calls at our Customer Service Center.
- Provided over 275 classes, seminars, and presentations statewide.
- Employed nearly 550 bilingual staff, fluent in 40 languages and dialects, including American Sign Language.

## CUSTOMER SERVICE CENTER

Customer service representatives are available to answer general tax questions. Call 1-800-400-7115 (TTY:711) Monday-Friday, 8:00 a.m. to 5:00 p.m., (Pacific time), excluding state holidays.

Documents may also be ordered 24 hours a day, via our faxback service, through voice mail message, or downloaded from our website at [www.boe.ca.gov](http://www.boe.ca.gov).



# EQUALIZATION DISTRICTS

## DISTRICT ONE

Counties of: Alpine, Amador, Butte, Calaveras, El Dorado, Fresno, Inyo, Kern, Kings, Lassen, Los Angeles (62.62 percent), Madera, Mariposa, Merced, Modoc, Mono, Nevada, Placer, Plumas, Sacramento, San Bernardino (94.64 percent), San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tulare, Tuolumne, and Yuba.

## DISTRICT TWO

Counties of: Alameda, Colusa, Contra Costa, Del Norte, Glenn, Humboldt, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Tehama, Trinity, and Yolo.

## DISTRICT THREE

Counties of: Los Angeles (37.38 percent), San Bernardino (0.22 percent), and Ventura.

## DISTRICT FOUR

Counties of: Imperial, Orange, Riverside, San Bernardino (5.14 percent), and San Diego.

