



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

May 20, 2014

Assembly Member Mike Gatto, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

RE: ASSEMBLY BILL 1717 (PEREA) – PREPAID MOBILE TELEPHONY SERVICES SURCHARGE ▪ SUPPORT ▪

Dear Assembly Member Gatto,

I am writing in support of Assembly Bill 1717, which establishes a system for collecting existing wireless communication taxes from consumers of prepaid wireless services. It is similar to last year's AB 300, about which I had concerns, but ultimately was amended, alleviating concerns that it would subject wireless consumers to unwarranted taxation at the state or local level.

AB 1717 addresses current discriminatory tax treatment under the law, whereby wireless taxes are being paid by one set of taxpayers—customers who pay for wireless services via a monthly bill—but are not collected from another set of taxpayers—customers who instead pay for their wireless services through the purchase of a prepaid card. Since all taxpayers use emergency telephone services, all taxpayers should share in the cost of the service.

Finally, AB 1717 maximizes existing state resources by building upon the current process of collection and administration established by the Board of Equalization (BOE) to collect state and local sales tax from retailers. Appropriately, the BOE has administrative jurisdiction over all taxes collected at point of sale by retailers.

For these reasons, I support AB 1717 and urge your "aye" vote when it is heard before the Assembly Revenue and Taxation Committee.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Runner".

GEORGE RUNNER
Second District

cc: Assemblymember Perea
Julia King, Assembly Republican Consultant