

For Immediate Release
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Board of Equalization Accepting IOUs for Payment of Taxes

Sacramento -- The Board of Equalization (BOE) announced today it will accept State-issued registered warrants, or IOUs, as payment of taxes due from certain vendors doing business with the State of California. The Board discussed the issue at a public meeting in Sacramento.

Because the State does not have sufficient cash to meet its obligations, vendors who provide goods and services to California are being issued IOUs from the Controller. Today's announcement allows BOE to accept the State-issued warrants as payment of sales and use taxes and other fees owed to the BOE from those businesses who do not receive regular payments from the state until funds are available.

If a taxpayer chooses to make their payment due with an IOU issued by the Controller, they must include their IOU as payment with a return by the due date of the return. The State-issued registered warrant must be signed over and/or be payable to the BOE. Taxpayers who file and pay with a registered warrant that covers the total liability due will be in good standing in regard to the liability and will not be liable for penalties or interest.

The law does not currently require BOE to accept State-issued registered warrants as payment, but the law also does not prohibit BOE from doing so. At today's hearing, the Board asked staff to pursue legislation that would clarify in law the issue of accepting registered warrants as payment for tax liabilities with the BOE.

Sales and Use Tax and other fee programs administered by the BOE have returns due by July 31st. The Franchise Tax Board previously announced that as required by law, it will accept California registered warrants as payment of personal and corporate tax obligations.

Generally, taxpayers otherwise facing financial difficulties and who owe sales and use taxes, or other business taxes and fees, are encouraged to contact the BOE for assistance.

BOE staff can assist taxpayers in establishing a payment plan, which allows for payment of a debt in smaller, more manageable amounts. Installment payment agreements generally require equal monthly payments and may prevent or delay some collection actions. Taxpayers may also be eligible for the BOE's Offer in Compromise (OIC) program where a taxpayer may propose paying a lesser amount to satisfy their liability.

Taxpayers who need assistance should contact the BOE's Taxpayer Information Center at 800-400-7115. Hours have been extended Monday through Friday from 8:00 a.m. to 6:00 p.m. from now until July 30, 2009 and until 8:00 p.m. on July 31. Regular Taxpayer Information Center hours are 8:00 a.m. to 5:00 p.m. (PT), Monday through Friday, except State holidays. The BOE also has 22 local field offices available to assist taxpayers.

More information is available at BOE's website, www.boe.ca.gov.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$53 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.

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