



State Board of Equalization

Barbara Alby, Acting Member
2nd District – Sacramento

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Another Egregious Tax Agency Error

A Statement from Acting Board of Equalization Member Barbary Alby

The last thing businesses need right now is to get a threatening letter from a tax agency when they have done nothing wrong. The Legislature's new Use Tax registration mandate is sowing mass confusion in the business community. To make matters worse, the Board of Equalization has negligently sent Use Tax delinquency notices to taxpayers because of processing errors that are the fault of the BOE. I learned of this mistake this morning and I directed staff to correct it immediately. Each taxpayer who received an erroneous delinquency letter from the Board is being contacted by phone and letters. I am distressed these taxpayers have been treated this way by the Board's bureaucracy.

The registration form for the new Use Tax mandate asks for a start date for each business. That start date was wrongly entered in approximately 60 accounts as the starting date for businesses to report Use Tax.

Under the new law, taxpayers who are required to register only need to file for the 2009 tax year. The start date for a business is not relevant for the purposes of this tax. I am investigating who at the BOE authorized staff to demand information from taxpayers that is irrelevant and is now causing taxpayers to lose money and feel fear.

Barbara Alby, of Sacramento, became Acting Board Member for the Second Equalization District in March, 2010. Prior to becoming Acting Member, she served as the Chief Deputy to Second District Board Member Bill Leonard. She also served in the State Assembly from 1993 to 1998, representing the Sacramento area.

The five-member California State Board of Equalization (BOE) 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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