



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

Kristine Cazadd
Interim Executive Director
www.boe.ca.gov

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Contact: NR 99-11-H
Linda Reisz, DDA
213-580-3322

Jerome E. Horton Announces Los Angeles Used Car Dealer Sentenced for Felony Sales Tax Evasion

Jerome E. Horton, Chairman of the California State Board of Equalization (BOE), announced today that Jorge Tipan, owner of GT Hollywood Motors, was sentenced in a sales tax evasion and grand theft case in Los Angeles County Superior Court.

Judge David M. Horwitz sentenced Tipan to a suspended sentence of 10 years 4 months in state prison, 5 years of formal probation, and \$419,042 in restitution to the BOE.

Tipan previously pled guilty to four felony counts of sales tax evasion and one felony count of grand theft on September 27, 2010. The case was prosecuted by the Los Angeles County District Attorney's Office, Major Fraud Division.

Tipan was the owner and operator of GT Hollywood Motors, a used car dealership located in the Hollywood area. Tipan failed to provide adequate records to a BOE auditor for examination during a sales tax audit. Further investigation by BOE indicated that a potential large understatement of sales tax was due. Later, a BOE search warrant revealed that Tipan intentionally prepared and filed fraudulent sales tax returns. As a result, Tipan failed to pay the State of California over \$400,000 in sales tax between 2004 and 2007.

Tax evasion provides an unlawful competitive price advantage against legitimate taxpaying retailers selling used cars. Sales tax revenues fund various programs across the state.

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 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 \$50 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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