



State Board of Equalization

# News Release

**Chairman Jerome E. Horton**

**4<sup>th</sup> District – Los Angeles**

Cynthia Bridges  
Executive Director  
[www.boe.ca.gov](http://www.boe.ca.gov)

**For Immediate Release**  
**October 4, 2013**

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## **“Zapping” Sales Tax Evaders Protects Funds for State and Local Services** *Legislation Gives Jail Time, Fines to Users of Sales-Hiding Software*

**Sacramento** – Legislation to combat the use of software that robs more than \$200 million each year from state and local governments was signed by Governor Jerry Brown. BOE-sponsored [Assembly Bill \(AB\) 781](#) (Bocanegra) makes it a crime for anyone in California to knowingly purchase, install, or use any automated sales suppression, or “zapper,” software designed to falsify reported sales.

“This insidious technology helps unscrupulous retailers and individuals steal from their customers and the state, and puts law-abiding retailers at a competitive disadvantage,” said Chairman Jerome E. Horton. “It is great that Governor Brown has signed this legislation into law so that we can work to stop the spread and use of this software.”

The BOE estimates this type of software costs state and local governments more than \$200 million in sales tax revenue each year, depriving Californians of vital education, public safety, and health care services. Several other states have passed, or proposed, similar bans.

Violators of AB 781 could be sentenced to up to three years in county jail, and be fined as much as \$10,000. They will also be required to pay all illegally withheld taxes, including penalties and interest.

AB 781 will take effect on January 1, 2014.

\* \* \* \* \*

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’s 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 \$53.7 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](http://www.taxes.ca.gov).

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