



State Board of Equalization

# News Release

## Vice Chair Michelle Steel

### 3<sup>rd</sup> District – Orange County

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

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### **BOE Action Simplifies Pricing for Mobile Food Truck Items**

**Sacramento** – The California State Board of Equalization (BOE) acted to make pricing of food sold from mobile food trucks more business and customer-friendly. The Board Members’ unanimous vote at their November 19, 2013 meeting will change a regulation to presume that sales tax is included in the listed price of the food.

“For years I’ve worked with food truck owners in my district to help them navigate California’s complex sales tax laws,” said Michelle Steel, Vice Chair of the Board. “I proposed this regulation to Board staff as a way to make life easier for these small-business owners. I am grateful that my colleagues unanimously supported this taxpayer-friendly change.”

Right now, food truck operators must post signs stating that tax is included in the listed price. Many do not, and are then required to pay the tax rate that applies to their listed prices. This can result in confusion on the amount owed, as operators may sell food from several locations with different tax rates in any given day.

This new regulation will allow food truck operators to charge the same price no matter where they are, and later calculate how much tax they owe for the locations where the sales are made. The BOE has created a convenient, [online mapping tool](#) where truck operators can enter the address where they are parked to know the tax rate they should report to BOE for sales made in that area. Paying the correct tax rate is important, as the sales tax supports many vital services such as public education, law enforcement and highways.

Given the proliferation of mobile food trucks, the hope is to simplify and streamline business practices for vendors, and make it clear to their customers that the price they are paying includes tax. The BOE will reach out to mobile food businesses and consumers in multiple languages to inform them of this change.

Following this vote by the Board, the regulation will continue through the rulemaking process. It is expected to become effective July 1, 2014.

\* \* \* \* \*

Elected to the Board of Equalization in 2006 and re-elected in 2010, Michelle Steel serves as *Southern California’s elected taxpayer advocate*. In December 2007, Steel discovered the Board of Equalization had delayed the return of millions of dollars in security deposits owed to California businesses. Procedures were changed due to Steel’s decisive leadership. Following her

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investigation, the tax agency refunded tax security deposits to over 5,500 small businesses. To date, over \$100 million in security deposits have been returned to taxpayers.

The five-member California State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects \$52.5 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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