



Van Nuys District Office Will Move to Glendale in Late 2014

The California State Board of Equalization (BOE) will move its Van Nuys District Office, now located at 15350 Sherman Way, Suite 250, Van Nuys, CA 91406-4203, to a new location in Glendale:

Glendale District Office
505 North Brand Boulevard, Suite 700
Glendale, CA 91203-3946

The move is expected to occur by the end of 2014. We will post a Special Notice on our website at www.boe.ca.gov/news/news_and_events.htm#special_notices when the Glendale office opens. The new location will offer taxpayers easy freeway access and an improved customer service lobby with self-service kiosks.

Many services can be accomplished through our website, by mail, or over the phone. Please visit www.boe.ca.gov for a listing of all BOE offices, forms, payments, filing, registration, and general information, or call our Customer Service Center at 1-800-400-7115 (TTY:711), Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific time), excluding state holidays.

Tax Relief for Counties Affected by Wildfires and the Napa Earthquake

Emergency tax relief is available from the BOE for business owners and fee payers directly affected by the Napa earthquake and the wildfires in Amador, Butte, El Dorado, Humboldt, Lassen, Madera, Mariposa, Mendocino, Modoc, Shasta, and Siskiyou counties. Tax relief may include extending return filing dates, relieving penalties and interest, or replacing copies of records lost to fire damage.

Online Relief Request of Interest and Penalties

Relief from interest and penalties may be provided for those who, because of the wildfires or earthquake, are unable to file their returns and pay taxes and fees when due. To request a filing extension or relief from interest and penalties, visit our *Relief Request* webpage at www.boe.ca.gov/electsv/esrvcont.htm#Request_Relief. Any tax or fee payer can use the online system to make their request for the tax and fee programs listed below.

Sales and Use Taxes	Oil Spill Prevention and Administration Fee, and Oil Spill Response Fee
Fire Prevention Fee	Lumber Assessment
Alcoholic Beverage Taxes	Childhood Lead Poisoning Prevention Fee
Cigarette and Tobacco Products Taxes	Integrated Waste Management Fee
Energy Resources Surcharge	Occupational Lead Poisoning Prevention Fee
Emergency Telephone Users Surcharge	Electronic Waste Recycling (eWaste) Fee
Natural Gas Surcharge	Marine Invasive Species Fee (Ballast Water Management Fee)
Timber Yield Tax	California Tire Fee
Fuel Taxes (Diesel Fuel Tax, Interstate User Tax, Use Fuel Tax, Motor Vehicle Fuel Tax, Aircraft Jet Fuel)	Hazardous Substances Fees (Environmental Fee, Activity Fee, Generator Fee, Disposal Fee, Facility Fee)
Underground Storage Tank Maintenance Fee	Water Rights Fee

Property Taxes

Individuals and/or businesses with taxable property damaged or destroyed by the wildfires or by the Napa earthquake may be eligible for property tax relief. Unlike sales and use taxes and special taxes—which the state collects—property tax is collected at the county level. Answers to property tax questions regarding specific property, claims for property tax relief, and applications for reduced assessment, are available from and must be filed with the county. For a listing of assessors, visit our *Listing of County Assessors* webpage at www.boe.ca.gov/proptaxes/assessors.htm.

BOARD MEMBERS (Names updated 2015)

SEN. GEORGE RUNNER (RET.) First District Lancaster	FIONA MA, CPA Second District San Francisco	JEROME E. HORTON Third District Los Angeles County	DIANE L. HARKEY Fourth District Orange County	BETTY T. YEE State Controller	CYNTHIA BRIDGES Executive Director
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For more information

Please call our Customer Service Center at 1-800-400-7115 (TTY:711) where staff is available to assist you weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. The BOE extends our deepest sympathies to everyone affected by these disasters.

Underground Storage Tank Maintenance Fee Increase Effective January 1, 2015

On September 25, 2014, the Governor signed Senate Bill 445 (Stats. 2014, ch. 547), to extend the sunset date of the Barry Keene Underground Storage Tank Cleanup Trust Fund Act of 1989 by 10 years to January 1, 2026, and increase the fee by six mil (\$0.006).

The fee for petroleum products placed into underground storage tanks will increase from fourteen mil (\$0.014) to two cents (\$0.02) per gallon, effective January 1, 2015, until January 1, 2026.

If you are the operator but not the owner of the underground storage tank, we ask that you please contact the owner and advise them of the fee increase.

For more information regarding the Underground Storage Tank Maintenance Fee Program, please visit our website at www.boe.ca.gov/sptaxprog/spfuel.htm and view [publication 88](#), *Underground Storage Tank Fee*.

If you have any questions regarding the fee rate increase, please contact our Customer Service Center at 1-800-400-7115 (TTY:711).

Expanded Use of Prior Audit Percentage of Error (PAPE)

The PAPE program involves the use, under certain circumstances, of a percentage of error developed in a prior audit for the sales or accounts payable portion of a current audit. It can be a valuable tool in streamlining the audit process. It is designed to reduce the time it takes to complete an audit and minimize the burden on taxpayers.

A new audit policy extends the use of a PAPE to two subsequent audits. Previously, the PAPE developed in a prior audit of a business could only be applied to one subsequent audit. Audit staff must, however, obtain approval from BOE management to apply the PAPE to the second subsequent audit. This expanded use of PAPE will improve audit efficiency and reduce the burden on taxpayers.

If you would like to use a PAPE in the audit of your business, please discuss this with the auditor assigned to your case. For more information on the use of PAPEs, please see chapter 4 of the Audit Manual, section 0405.33, at www.boe.ca.gov/sutax/manuals/am-04.pdf.

Taxable Food Sales by Mobile Food Vendors (Food Truck Operators) Presumed to Include Tax

Taxable sales made by mobile food vendors (such as food truck operators) on and after July 1, 2014, are presumed to include tax, unless a separate sales tax amount is added to the charged price. This presumption does not apply when mobile food vendors make sales as caterers hired by a private party to provide food and/or drink on the customer's premises or on premises supplied by the customer (see [Sales and Use Tax Regulation 1603](#), *Taxable Sales of Food Products*).

If you are a mobile food vendor, you are required to report and pay tax to the BOE on sales of taxable items at the tax rate for the location in which they make sales. For sales occurring prior to July 1, 2014, for sales to be considered tax-included, vendors were required to post a notice to customers (or include provisions in a sales agreement or receipt) stating that tax is included in your listed menu prices. If mobile food vendors did not, prices did not include tax and they were required to report and pay tax measured by the prices charged. This change allows vendors to charge the same tax-included price for each menu item no matter where they are (*without additional signage*), eliminating the need to recalculate sales tax at each stop where the tax rate changes. When filing a return, it will then be necessary to calculate and report tax-included sales for each sales location. Again, vendors will still need to calculate and report tax at the proper rate(s) of the various locations of their sales.

You can find the list of current tax rates on our website at www.boe.ca.gov. Go to the *How Do I . . .* column, select [Find a City or County Sales Tax Rate](#), and click on the tab [Find a Tax Rate by Address](#). Enter the address where your mobile food truck was parked at the time you made your tax included sales to find the applicable tax rate for the sales made at that location. If you need help determining the correct tax rate to use or calculating your tax owed, please call our Customer Service Center to speak with a representative.

You can find more information for your business on our website. Please see [publication 287](#), *Mobile Food Vendors Tax Guide*, which contains helpful information on what's taxable and what's not, and the importance of keeping good records to ensure



accurate reporting of tax due. From our [homepage](#) go to the *Business Center* column, select [Industry Guides](#), select [Caterers](#), and then click on the [Mobile Food Vendors](#) tab. Our *Industry Tax Guides* for business owners and operators are a one-stop shop for information on key tax and fee issues relevant to their businesses. Each guide covers the most common industry issues, and includes links to relevant resources, in a convenient, tab-based format.

“Do-It-Yourself” Audits—Managed Audit Program

Beginning January 1, 2015, in addition to seller’s permit holders, special tax and fee program account holders may be eligible for the Managed Audit Program (MAP). The program allows some businesses to conduct a type of “self-audit” with instructions and guidance from a BOE auditor. Once a business is selected for an audit, the auditor evaluates whether the business is a candidate for a managed audit. Participation in a managed audit is voluntary. If the auditor determines your business qualifies for a managed audit, the auditor will discuss the MAP with you during the entrance conference. You may be eligible for a managed audit if you meet all the following criteria:

- Your transactions or activities involve few or no statutory exemptions;
- Your business involves single or a small number of clearly defined taxability issues;
- You agree to participate in the MAP; and
- You have the resources to comply with the managed audit instructions provided by the BOE.

If you complete a MAP and owe additional taxes or fees, you will pay interest on that liability at one-half the rate that would otherwise apply. By participating in a managed audit, you can work at your own pace within established timeframes, and gain education and experience about the audit process and the application of the tax to your business operation. Performing the detailed audit work may also identify system or accounting problems or issues you may not have known about.

For more information, [publication 53](#), *Managed Audit Program*, provides general information about our MAP as well as specific instructions for managed audit procedures. Prepayment accounts may now participate in a MAP and we may grant relief for amounts due under Revenue and Taxation Code section 6596 and similar special taxes and fees statutes in cases where taxpayers who have participated in the MAP relied on erroneous written advice from our staff and failed to report tax on a transaction.

Retailers of Recreational Vehicles or Trailers Are Required to Collect the California Tire Fee

Retailers of new or used Recreational Vehicles (RVs) that include new tires are required to register with the BOE for a tire fee account and collect the tire fee from their retail customers. Retailers of any type of new or used trailer (for example auto, horse, boat, equipment, 5th Wheel, and travel trailers) that is towed on a highway or road are required to collect the tire fee on all new tires (including the spare tire) included with the sale of the trailer to the retail customer. Also, sales of new tires that are sold to retail customers as replacement tires for RVs or trailers are subject to the tire fee. For information about the California Tire Fee and how to register for a tire fee account, please see [publication 91](#), *California Tire Fee*.

Taxpayers’ Bill of Rights Hearings to Begin

Do you have suggestions for improving our services? Do you want us to look closely at a tax or fee issue? If you do, come share your ideas and concerns with our Board Members at the annual Taxpayers’ Bill of Rights hearings. You may present your proposal in person or in writing.

The dates and times for the 2015 business and property tax hearings, normally held in Sacramento and Culver City, have yet to be determined, but you may check our website in early 2015 or [contact the Taxpayers’ Rights Advocate](#) for details. In addition, the public hearings are announced in the BOE’s tax newsletters and with flyers and posters in public places including government offices. To be placed on a notification list, please contact the [Taxpayers’ Rights Advocate Office](#).

Although you are not required to make advance arrangements to speak, it will help us to prepare if you contact the Taxpayers’ Rights Advocate Office at 1-888-324-2798 beforehand to let us know your topic. If your proposal is complex or extensive, we encourage you to send it in advance and summarize it in your oral presentation. For more details, please call the Advocate Office or visit us at www.boe.ca.gov, where you can also view the Advocate’s latest [annual report](#).

Finding the Correct District Tax Rate

Zip codes are used for postal delivery, and a zip code may include addresses both inside and outside a city’s limits. As a result, locations with the same zip code may have different tax rates. This may create errors with collecting taxes if you use zip code location software to determine district tax rates. To address this issue, some cities have developed a database of addresses to help retailers and consumers identify addresses located within special taxing jurisdictions for district tax rates. In cooperation with these cities, we are providing links to their address databases located on our website at [California City and County Sales](#)



and Use Tax Rates. If you have questions about the addresses, please contact the cities directly. As an additional resource, we offer an online mapping tool to determine the current sales and use tax rate for a specific address. The tax rate given will reflect the current rate of tax for the address that you enter. To find a tax rate, please visit www.boe.ca.gov and select, *Find a Sales and Use Tax Rate by Address.*

Waiver of Limitation

Have you been asked by the BOE to sign a Waiver of Limitation and wondered what it is?

What is it?

The Waiver of Limitation is a legal agreement that you can enter into with the BOE. By signing this document, you will extend the applicable statute of limitations for the periods indicated on the form. The signed Waiver of Limitation will allow us additional time to examine your records, and possibly assess additional tax for the periods that would otherwise expire under the applicable statute of limitations. However, it also extends the period which you may file a timely claim for refund and will allow any credits to be offset against any tax amounts due for the periods indicated.

Why are you asked to sign it?

Generally, you are asked to sign a waiver when you need to delay the start of or the completion of an audit. A waiver is also requested when we have information or a good indication that additional tax or refund may be due, but there is insufficient time in which to complete the audit. There may also be insufficient time to thoroughly review the issue or issues in question that may arise in an audit.

Do you have to sign it?

Although signing the waiver is voluntary, there are benefits you gain by doing so.

- **Credits:** As stated above, the Waiver of Limitation permits you to file a timely claim for refund until the date specified on the document. Any overpayment of tax may be offset against an existing tax amount due for this period.
- **Time:** It provides you and the BOE the ability to adapt to both foreseen and unforeseen time constraints. We may question one of your transactions as taxable; however, upon further review or additional documentation, this transaction may result in no tax assessment. The waiver gives you and the BOE the time to address difficult issues.
- **Expedite the Audit Process:** A signed waiver allows both you and the BOE the time necessary to resolve audit issues before the audit is finished and a billing is issued. By having additional time to resolve audit issues “up front,” you may eliminate the necessity to appeal the audit findings.

You are not giving up any of your rights as a taxpayer by signing a Waiver of Limitation. You may file an appeal at any time within the time limits allowed by law.

Civil Behavior in Trying Times

We know you may become frustrated with the difficulties associated with the tax law or pressed for time when dealing with our staff. We understand how you are feeling and ask that you please remember to treat our employees just as you would like to be treated in a business situation. Any statement or gesture made to a BOE employee that seems like a threat—even a statement made in jest—will be referred to our Internal Affairs Section for investigation.

Ethics at Work—“Thank You” Is Enough

We would like to remind you that BOE policy generally prevents our employees from accepting gifts of any type. So if you are grateful to someone for going the extra mile to help you with a complicated issue, a simple “thank you” will do. You can also use our online Customer Service Survey form at www.boe.ca.gov/info/survey.htm to express yourself. We appreciate your feedback!

For More Information

All telephone numbers are toll-free.

Internet

www.boe.ca.gov
www.taxes.ca.gov

Customer Service Center

1-800-400-7115 (TTY:711)

Requests for Fax Copies

1-800-400-7115
(Choose automated services)

Seller's Permit Verification

1-888-225-5263
www.boe.ca.gov

Taxpayers' Rights Advocate

1-888-324-2798
www.boe.ca.gov

Tax Evasion Hotline

1-888-334-3300

State Legislation

www.leginfo.ca.gov/bilinfo.html

California State
Board of Equalization
PO Box 942879
Sacramento, CA 94279-0001