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THE CALIFORNIA STATE BOARD OF EQUALIZATION

BOARD OF EQUALIZATION

BETTY T. YEE, First District
SEN. GEORGE RUNNER (RET.), Second District
MICHELLE STEEL, Third District
JEROME E. HORTON, Fourth District
JOHN CHIANG, State Controller

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KRISTINE CAZADD, Executive Director

For more than 100 years, the State Board of Equalization (BOE) has administered taxes for the State of California. Today, the Board of Equalization administers 34 tax and fee programs, 32 of which produce revenues of \$50.7 billion annually. More than one million businesses in nearly every field of commercial activity are registered with the BOE. The taxes they pay support schools, hospitals, police, roads, and a host of other essential services.

Members of the Board of Equalization

The BOE is directed by a five-Member elected Board. Four Members are elected directly from legislatively-defined districts within the state and serve four-year terms. The fifth Member, the State Controller, is elected at large. The Board's mission is to serve the public through fair, effective, and efficient tax administration.

The Board acts in a quasi-judicial capacity as the appellate body for appeals from various business tax assessments, Franchise Tax Board actions, and public utility assessments. In its administrative capacity, the Board issues rules and regulations. It also establishes the values of utilities for tax purposes, sets the tax rate under various tax laws, and oversees the assessment practices of the state's 58 county assessors.

Tax Programs

The tax programs administered by the BOE are concentrated in three general areas—sales and use taxes, property taxes, and special taxes and fees.

Sales and Use Tax

Retail sales of tangible personal property in California in 2009-10 were, in general, subject to a 8.25 percent sales tax. The use tax, a complement to the sales tax, applies at the same rate for purchases for use in California. Voters in various localities have approved the creation of one or more special tax districts (each funded by transactions taxes ranging from one-tenth to one percent). This added tax is used for mass transit programs, streets and roads, and other governmental services. In fiscal year 2009-10, the BOE collected a total of approximately \$42.2 billion in sales taxes, which includes \$28.8 billion for the state, \$9.4 billion for cities and counties, and \$4 billion for special districts.

Property Taxes

Property taxes, which make up the major source of revenue for California's 58 counties, accounted for \$49.2 billion in revenue in fiscal year 2009-10. Although the BOE does not assess local properties, it does oversee the assessment standards and practices of each county assessor. The BOE, however, does directly assess properties belonging to over 400 privately-owned public utilities. In turn, those assessed values are used by counties to collect local property taxes. Two tax programs, the timber yield tax and the private railroad car tax, are directly administered by the Board.

Special Taxes and Fees

The BOE is the sole administrative agency for the following special tax programs: Cigarette and Tobacco Products Tax, Cigarette and Tobacco Products Licensing Program, Diesel Fuel Tax, Use Fuel Tax, and Interstate User Tax. The BOE is one of several agencies charged with administration of the following special tax

and fee programs: Energy Resources Surcharge, Emergency Telephone Users Surcharge, Alcoholic Beverage Tax, Insurance Tax, Marine Invasive Species Fee, Childhood Lead Poisoning Prevention Fee, Occupational Lead Poisoning Prevention Fee, Hazardous Substances Tax, Integrated Waste Management Fee, Motor Vehicle Fuel Tax, Natural Gas Surcharge, Oil Spill Response, Prevention and Administration Fee, Underground Storage Tank Maintenance Fee, California Tire Fee, Water Rights Fee, and Electronic Waste Recycling Fee. Revenues collected for all special taxes programs totalled \$7.7 billion in 2009-10.

Services for Taxpayers

The BOE prides itself on being a leader in providing service-oriented programs and efficient tax administration (spending 82 cents in administrative costs for each \$100 in revenue). The BOE has developed many services that are designed to help taxpayers understand and comply with tax laws and to ensure that they are treated fairly and courteously. Some BOE services include:

Internet

Information about the BOE and its tax programs, forms and publications, tax news, and events is available on the Internet. The BOE's home page address is www.boe.ca.gov.

Taxpayer Information Section

Customer service representatives are available to answer general tax questions. Call 800-400-7115 (TTY:711), Monday-Friday, 8:00 a.m. to 5:00 p.m., Pacific time, excluding state holidays.

Documents may also be ordered 24 hours a day, via our faxback service or through voice mail message.



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Public Hearings

The Members of the Board are committed to protecting the rights, privacy, and property of taxpayers. As a result, they schedule yearly public hearings, which provide taxpayers an opportunity to express their ideas, concerns, and recommendations about programs and laws administered by the BOE. Board Members are interested in suggestions that will help taxpayers better understand California tax laws.

Taxpayers' Rights Advocate

The Board has appointed a Taxpayers' Rights Advocate to help resolve taxpayers' problems fairly and equitably. Reporting directly to the Executive Director, the Taxpayers' Rights Advocate can investigate complaints and delay certain BOE actions until an investigation is completed. The telephone number of the Taxpayers' Rights Advocate is 916-324-2798, toll-free 888-324-2798.

Equalization Districts

District One

Counties of: Alameda, Colusa, Contra Costa, Del Norte, Humboldt, Lake, Marin, Mendocino, Monterey, Napa, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Barbara (57.04 percent), Santa Clara, Santa Cruz, Solano, Sonoma, Trinity, and Yolo

District Two

Counties of: Alpine, Amador, Butte, Calaveras, El Dorado, Fresno, Glenn, Inyo, Kern, Kings, Lassen, Los Angeles (8.98 percent), Madera, Mariposa, Merced, Modoc, Mono, Nevada, Placer, Plumas, Sacramento, San Bernardino (45.97 percent), San Joaquin, Santa Barbara (42.96 percent), Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Tulare, Tuolumne, Ventura, and Yuba

District Three

Counties of: Imperial, Los Angeles (2.06 percent), Orange, Riverside, San Bernardino (54.03 percent), and San Diego

District Four

County of Los Angeles (88.96 percent)

