



SEN. GEORGE RUNNER (RET.)

MEMBER  
STATE BOARD OF EQUALIZATION  
**CALIFORNIA'S TAX BOARD**

August 20, 2014

Ms. Jean Shiomoto, Director  
Department of Motor Vehicles  
2415 First Avenue, MS F101  
Sacramento, CA 95818-2606

Dear Director Shiomoto:

I believe it is important for my constituents to have complete confidence they are paying the correct amount of tax. During my service on the Board of Equalization I have received a number of calls from constituents informing me they have been charged an incorrect amount of tax on vehicle sales by the Department of Motor Vehicles.

Sales and use tax rates vary widely across California and are subject to change over time. In addition to the statewide sales and use tax rate of 7.5 percent, there are many cities and counties that have voter approved local and district taxes. In the past, some retailers and the DMV have utilized zip codes to determine which tax rate to use. However, only using zip codes is not reliable in determining tax rates. Very few zip codes encompass entire municipalities, and zip codes are often split between cities and counties that employ different tax rates. When this occurs, a taxpayer living in one area of a zip code could pay a higher tax rate than another living in the same zip code.

Because more than 2.5 million taxpayers in my district live in these split zip codes, I requested the creation an online tool (<https://maps.gis.ca.gov/boe/TaxRates/>) that would allow taxpayers to easily pinpoint a location and receive the sales and use tax rate used at a specific address. The site also shows the entire area where a particular tax rate applies. The webpage is accessible, easy-to-use and accurate. The public uses it, but unfortunately, the DMV refuses to do so.

Last December, BOE staff initiated discussions with DMV staff regarding your department switching to the BOE's Geographic Information Systems (GIS) tool to ensure accurate tax rates are being charged. However, after continued complaints from taxpayers, it is clear that DMV offices have failed to institute use of the BOE's tax rate lookup website to determine

the correct amount of tax to charge. At my direction, both my office staff and BOE staff inquired further and were informed that DMV is not, and will not, be using the BOE GIS tool.

I find it difficult to understand why your agency would knowingly continue to mischarge taxpayers when the Board of Equalization has developed an extremely accurate tool for determining tax rates at specific locations. Use of this tool would cut down on refund requests from taxpayers, thereby saving time and money, and would instill confidence in taxpayers that state government is not collecting more tax than is required.

It is my hope that you will immediately direct your staff to begin using the BOE's GIS tool. BOE management and IT staff are ready to assist the DMV with technical expertise, if necessary. If you would like to discuss the matter further, please feel free to contact me at 916-445-2181.

Sincerely,

A handwritten signature in dark ink, appearing to read 'G. Runner', with a large, stylized 'R' that loops back under the name.

GEORGE RUNNER  
Second District

cc: Jerry Brown, Governor, State of California  
Brian P. Kelly, Secretary, California State Transportation Agency  
Cynthia Bridges, Executive Director, California State Board of Equalization  
Andrew Conway, Chief, Registration Policy and Automation Branch, DMV