



Proposed Board of Equalization changes would create bureaucracies

By George Runner

There's no sugarcoating it: The California Board of Equalization has had some problems.

But, the answer to solving these problems doesn't begin with extreme legislation that strips Californians of their right to bring tax appeals before their elected peers.

Yes, an audit report by the state Department of Finance highlighted some issues related to board member and agency practices. And the media have pumped out many stories about the misallocation of taxpayer funds and individual board members stretching the limits of their authority.

But the proposed drastic changes to the agency go far beyond these issues, nearly all of which have been addressed and corrected by the board. Creating two new costly bureaucracies — the Department of Tax and Fee Administration and the Office of Tax Appeals that would add to the already imposing power of monolithic state government is an overreach and wildly irresponsible of legislative leaders.

The professional experience of our current board consists of a certified public accountant, a small-business banker and a former auditor, all of whom understand how complicated taxes are in California. Do we really want to blow up the board and exchange that real-world experience with DMV-type levels of bureaucracy and unelected administrative law judges?

Most taxpayers would say no.

This last-minute budget power grab also reeks of the type of politics that led to voter approval of transparency laws that force bills to be in writing for at least 72 hours before passage. If lawmakers think this bill is such a good idea, then why jam it through without first hearing from impacted families and business owners?

Changes of this magnitude should not be rushed through, bypassing the deliberative budget process. Instead they should go through the normal policymaking process to allow public input.

The proposal also completely ignores the many elected board members who have used this platform for good by giving taxpayers a voice against state government abuses and ensuring the state's interests are protected from tax cheats.

Alone, the Board of Equalization handles 39 tax and fee programs. Just last year, the public approved Proposition 64, entrusting the board with collecting new taxes on marijuana. During debate and discussion on the legalization of recreational marijuana, I don't recall there being much protest over giving the board this responsibility.

And for good reason.

The board's latest annual report shows that it collected \$64.3 billion — nearly 30 percent of all state revenue — for the fiscal year and did so efficiently and effectively. Total costs for all operations were \$601.5 million.

Missing from the audit is any hint that the board has failed at its core mission of serving taxpayers. Compared with other government agencies, the board excels at being accessible to the public, resolving taxpayer disputes and providing good customer service.

Simply, the board is here to serve taxpayers, resolve constituent concerns, and protect the interests of the state. The agency has had its share of issues, but despite the brouhaha, they're really not outside the norm of what other government agencies experience.

Cooler heads should prevail.

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