



For Immediate Release

July 7, 2011

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Runner Seeks Feedback on New Use Tax Collection Program

Board of Equalization Member Senator George Runner today announced he is seeking feedback from business owners regarding a controversial new use tax collection program administered by the State Board of Equalization.

“I’m asking California business owners and entrepreneurs who have received a ‘qualified purchaser’ letter from the Board of Equalization to let me know what they think of this new program. I’ve posted a short survey on my website (www.boe.ca.gov/Runner) to provide an opportunity for impacted taxpayers to express their views,” said Runner.

The “Qualified Purchasers Program” was created by the State Legislature, when it approved [Assembly Bill X4 18](#) in 2009. Runner was serving as a Senator at the time and voted against the legislation.

To date BOE has identified more than 500,000 businesses as “qualified purchasers” and has automatically registered many of them with a “use tax” account. A qualified purchaser is defined as a service enterprise with more than \$100,000 in gross receipts per calendar year that is not already registered with the Board of Equalization.

In [an e-mail](#) to qualified purchasers in his district, Runner observes that “most people are understandably confused about ‘use tax.’” He explains that the use tax applies to all Californians “when you purchase items from a retailer who is not located in California and not registered to remit tax to California.”

Runner continues to believe this new use tax collection program is a costly mistake. He writes: “My review of this program has revealed the average Qualified Purchaser pays almost as much to their accountant to comply with this program as they pay in use tax. The program imposes more of a burden upon businesses than it benefits the state.”

Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit www.boe.ca.gov/Runner.

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