

STATE BOARD OF EQUALIZATION
2007-08 ANNUAL REPORT

BOARD MEMBERS

BETTY T. YEE
First District
San Francisco

BILL LEONARD
Second District
Ontario/Sacramento

MICHELLE STEEL
Third District
Rolling Hills Estates

JUDY CHU, Ph.D.
Fourth District
Los Angeles

JOHN CHIANG
State Controller

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RAMON J. HIRSIG
Executive Director

The Honorable Arnold Schwarzenegger
Governor of California
June 2009

Dear Governor Schwarzenegger:

On behalf of the Members of the State Board of Equalization, I am pleased to submit to you our annual report for fiscal year 2007-08.

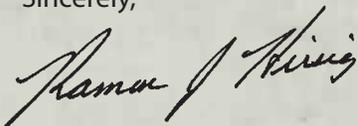
Programs administered by the Board of Equalization produced \$53.1 billion in revenue in 2007-08. The state's portion, \$40.1 billion, contributed about 32 percent of all state revenue for the fiscal year.

The BOE supports California's state and local governmental finance system by providing essential revenue for the state's cities, counties, and special tax districts. Like the nation, California entered into a severe recession in December 2007; nevertheless, BOE-administered programs yielded \$9.63 billion for local governments from local and district sales and use taxes in 2007-08.

Thanks to the excellent work of our dedicated staff, a focus on process improvement, and our strong technology infrastructure, we have continued to provide efficient and effective tax administration, in spite of the challenges of these tough economic times. Our total costs for all operations in 2007-08 were only \$239 million—only 75 cents for every \$100 of revenue collected.

We remain dedicated to serving the people of the great state of California.

Sincerely,

A handwritten signature in black ink, appearing to read "Ramon J. Hirsig". The signature is written in a cursive, flowing style.

Ramon J. Hirsig
Executive Director

MISSION

The mission of the State Board of Equalization is to serve the public through fair, effective, and efficient tax administration.

GOALS

The State Board of Equalization will:

- Maximize voluntary compliance in BOE's programs
- Improve the efficiency of BOE's tax and fee programs
- Improve BOE's organizational efficiency
- Create an expanded and responsive infrastructure
- Foster a skilled, motivated, and diverse workplace

As the graphic theme for this edition of our annual report, we are highlighting a sampling of state parks throughout California. You'll notice in the pages of this report that the variety of scenery and purpose our parks contain is breathtaking. From traditional village greens, to desert vistas, beach and ocean playgrounds, majestic forests, and preserved historical towns, these parks are a mirror of California's greatest strength: its diversity of ideas and skills and cultural contributions.

Our parks represent the union of collective goals and individual needs and serve as a metaphor to remind us that the diversity of California's citizens will be its greatest strength.

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