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Executive Director

## **FLOOR ALERT**

Date: January 27, 2014

To: Members of the Assembly

From: Cynthia Bridges, Executive Director

RE: **AB 43 (Bocanegra): Assignment of Excess Tax Reimbursement Refunds  
Board of Equalization- Support**

**The State Board of Equalization (BOE) is supporting Assembly Bill 43.** This bill authorizes a retailer to make an irrevocable election to assign the right to receive a refund of excess tax reimbursement in the amount of \$50,000 or greater to a single customer so BOE may make a direct refund to the customer.

**More efficient method.** Under current law, when a customer overpays sales tax reimbursement to the retailer, the customer must obtain a refund of the sales tax directly from the retailer. Current law allows BOE to issue a refund only to the retailer, and then the retailer must return the excess tax reimbursement to his or her customer. Issuing a refund directly to the customer would shorten the refund process by approximately two to three months, as there would be no additional processing performed by the retailer.

**Reduces the retailers' workload.** In the specific instances allowed by this bill, retailers will not be required to issue refund checks, answer as many customer telephone calls, or maintain as many records of the transactions.

The BOE respectfully requests your **"AYE"** vote on **AB 43**.

CB/ah

cc: Katie Kolitsos, Assembly Revenue and Taxation Policy Consultant