

**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING MINUTES
January 31, 2006 -- Room 122 9:30 AM**

Attending: Chairwoman Betty T. Yee, Honorable Bill Leonard, Honorable Claude Parrish, Honorable John Chiang, and Ms. Marcy Jo Mandel

| <u>Bill No.</u> | <u>Author</u> | Yee | Leonard | Parrish | Chiang | Mandel | <u>Staff Recom.</u> | <u>Committee Recom.</u> | <u>Board Action</u> |
|-----------------|---------------|-------------------------------|-------------------------------|-------------------------------|---------|-------------------------------|-----------------------------------|--|-------------------------|
| AB 674 | Klehs | Neutral - note concerns | Neutral - note concerns | Neutral - note concerns | Support | Neutral - note concerns | Neutral- point out problems | Neutral - note concerns | |

| PROPERTY TAXES | | | | | | | | | |
|-----------------------|---|-----|---------|---------|--------|--------|-------------------------|-----------------------------|-------------------------|
| <u>Proposal</u> | | Yee | Leonard | Parrish | Chiang | Mandel | <u>Staff Recom.</u> | <u>Committee Recom.</u> | <u>Board Action</u> |
| 1-1 | Amend Revenue and Taxation Code Sections 744 and 749 to extend from December 31 to March 1 of the following year the deadline for the Board of Equalization to decide state assessee appeals. Source: Honorable Bill Leonard | | | | | | | Defer | |

| PROPERTY TAXES | | | | | | | | | |
|-----------------------|--|------------|----------------|----------------|---------------|---------------|--------------------------------|------------------------------------|--------------------------------|
| Proposal | | Yee | Leonard | Parrish | Chiang | Mandel | <u>Staff Recom.</u> | <u>Committee Recom.</u> | <u>Board Action</u> |
| 1-8 | <p>Add Section 401.20 to the Revenue and Taxation Code to (1) require the Board of Equalization to complete a study to update the information upon which annual valuation factors published by the Board for computers, semiconductor manufacturing equipment, and biopharmaceutical industry equipment and fixtures are based and (2) provide that such property is rebuttably presumed to be valued at its proper fair market value when the resulting factors are used.</p> <p>Source: Ms. Betty T. Yee, Acting Member</p> | Adopt | Adopt | Adopt | Adopt | Adopt | | Adopt | |

| BUSINESS TAXES | | | | | | | | | | |
|-----------------------------------|--|------------|----------------|----------------|---------------|---------------|--------------------------------|------------------------------------|----------------------------|--|
| <u>Sales and Use Taxes</u> | | | | | | | | | | |
| Proposal | | Yee | Leonard | Parrish | Chiang | Mandel | <u>Staff Recom.</u> | <u>Committee Recom.</u> | <u>Board Action</u> | |
| 3-2 | <p>Amend Section 6363.3 of the Sales and Use Tax Law to extend the sunset date on the sales and use tax exemption for thrift stores that benefit individuals with HIV or AIDS, from January 1, 2007 to January 1, 2012.</p> <p>Source: Honorable John Chiang and Betty T. Yee</p> | Adopt | Adopt | Adopt | Adopt | Adopt | | Adopt | | |
| 3-3 | <p>Add Section 6812.1 to, and amend Section 6814 of, the Sales and Use Tax Law to allow the Board the ability to assess successor's liability when a business is transferred between related persons, as defined.</p> <p>Source: Sales and Use Tax Department</p> | | | | | | | Withdrawn by Staff | | |

| BUSINESS TAXES | | | | | | | | | |
|-----------------------|--|------------|----------------|----------------|---------------|---------------|--------------------------------|------------------------------------|----------------------------|
| Special Taxes | | | | | | | | | |
| Proposal | | Yee | Leonard | Parrish | Chiang | Mandel | <u>Staff Recom.</u> | <u>Committee Recom.</u> | <u>Board Action</u> |
| 4-8 | <p>Amend Sections 7659.9, 8760, 30190, 32260, 40067, 41060, 43170, 45160, 46160, 50112.7, 55050, and 60250 of the Revenue and Taxation Code to require a person whose estimated monthly tax or fee liability averages \$10,000 or more per month to remit amounts due by electronic funds transfer.</p> <p>Source: Fuel Taxes Division and Excise Taxes and Fees Division</p> | | | | | | Adopt | Defer | |

| BUSINESS TAXES | | | | | | | | | |
|-----------------------|---|------------|----------------|----------------|---------------|---------------|--------------------------------|------------------------------------|----------------------------|
| Special Taxes | | | | | | | | | |
| Proposal | | Yee | Leonard | Parrish | Chiang | Mandel | <u>Staff Recom.</u> | <u>Committee Recom.</u> | <u>Board Action</u> |
| 4-9 | <p>Add Article 5.5 (commencing with Section 30360) to Chapter 5 of the Cigarette And Tobacco Products Tax Law; add Article 3.5 (commencing with Section 32375) to Chapter 7 of the Alcoholic Beverage Tax Law; add Article 3.5 (commencing with Section 40164) to Chapter 6 of the Energy Resources Surcharge Law; add Article 1.5 (commencing with Section 41119.5) to Chapter 6 of the Emergency Telephone Users Surcharge Law; add Article 4.5 (commencing with Section 43435) to Chapter 4 of the Hazardous Substances Tax Law; add Article 4.5 (commencing with Section 45555) to Chapter 4 of the Integrated Waste Management Fee Law; add Article 4.5 (commencing with Section 50131.5) to Chapter 4 of the Underground Storage Tank Maintenance Fee Law; and add Article 4.5 (commencing with Section 55185) to Chapter 4 of the Fee Collection Procedures Law (exclusive of Water Rights Fee Law) to hold a successor liable for any amounts due under the respective part if the successor does not obtain a certificate from the Board stating that no amounts are due.</p> <p>Source: Property and Special Taxes Department</p> | Adopt | No | No | Adopt | Adopt | Adopt | Adopt (3-2) | |

| BUSINESS TAXES | | | | | | | | | |
|-----------------------|---|------------|----------------|----------------|---------------|---------------|--------------------------------|------------------------------------|----------------------------|
| Special Taxes | | | | | | | | | |
| Proposal | | Yee | Leonard | Parrish | Chiang | Mandel | <u>Staff Recom.</u> | <u>Committee Recom.</u> | <u>Board Action</u> |
| 4-10 | <p>Add Sections 7984 (Motor Vehicle Fuel Tax Law), 9034 (Use Fuel Tax Law), 30354.6 (Cigarette and Tobacco Products Tax Law), 32390 (Alcoholic Beverage Tax Law), 40168 (Energy Resources Surcharge Law), 41127.8 (Emergency Telephone Users Surcharge Law), 43449 (Hazardous Substances Tax Law), 45610 (Integrated Waste Management Fee Law), , 46465 (Oil Spill Response, Prevention, and Administration Fees Law), 50138.8 (Underground Storage Tank Maintenance Fee Law), 55210 (Fee Collection Procedures Law – exclusive of Water Rights Fee Law), and 60494 (Diesel Fuel Tax Law) to the Revenue and Taxation Code to impose personal liability on corporate officers and other responsible persons of terminated, dissolved, or abandoned partnership, limited liability partnership, corporate, and limited liability company businesses for tax/fee liabilities incurred, under certain conditions.</p> <p>Source: Excise Taxes and Fees Division</p> | Adopt | No | No | Adopt | Adopt | Adopt | Adopt (3-2) | |

| BUSINESS TAXES | | | | | | | | | |
|-----------------------|---|--------------|----------------|----------------|---------------|---------------|--------------------------------|------------------------------------|----------------------------|
| Special Taxes | | | | | | | | | |
| Proposal | | Yee | Leonard | Parrish | Chiang | Mandel | <u>Staff Recom.</u> | <u>Committee Recom.</u> | <u>Board Action</u> |
| 4-11 | <p>Add Sections 30459.15 (Cigarette and Tobacco Products Tax Law), 32471.5 (Alcoholic Beverage Tax Law), 38800 (Timber Yield Tax Law), 40211.5 (Energy Resources Surcharge Law), 41171.5 (Emergency Telephone Users Surcharge Law), 43522.5 (Hazardous Substances Tax Law), 45867.5 (Integrated Waste Management Fee Law), 46628 (Oil Spill Response, Prevention, and Administration Fees Law), 55332.5 (Fee Collection Procedures Law), and 60637 (Diesel Fuel Tax Law) to the Revenue and Taxation Code to allow the Board to accept offers in compromise for specific Special Taxes and Fees programs.</p> <p>Source: Property and Special Taxes Department</p> | Consent Item | | | | | Adopt | Adopt | |

Approved: ISI Betty T. Yee
Betty T. Yee, Chair

Approved: ISI Ramon J. Hirsig
Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the 2-1-2006 Board Meeting

ISI Deborah Pellegrini
Deborah Pellegrini, Chief
Board Proceedings Division