

**BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING AGENDA
HONORABLE JEROME HORTON, CHAIR
450 N STREET, SACRAMENTO, ROOM 121
MARCH 24, 2010 9:30 AM**

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Status Report on Implementation of [ABx4 18](#) (Committee on Budget, Ch. 16, Fourth Extraordinary Session) – Use Tax Registration

Committee Discussion

Ms. Margaret Shedd of the Legislative and Research Division, Randy Ferris of the Board's Legal Department, Jeff McGuire of the Board's Sales and Use Tax Department, and Stephen Rudd, Chief of Field Operations, Third and Fourth Districts appeared before the Board and provided an overview of AB 18, Fourth Extraordinary Session of 2009, including a brief synopsis on the legislative history of the concept of use tax registration, and the Board staff's implementation efforts.

Two speakers were present on this issue: Ms. Mira Guertin, Policy Advocate, California Chamber of Commerce, and Ms. Gina Rodriguez, Sacramento Editor of Spidell Publishing.

Ms. Guertin expressed that the Chamber has received a number of phone calls from taxpayers regarding this new requirement. Ms. Guertin stated the Chamber is supportive of efforts to provide relief of the penalties and extensions for filing returns in order to give taxpayers more time to comply.

Ms. Rodriguez expressed that the April 15th statutory due date was problematic for tax practitioners. Ms. Rodriguez also stated that tax practitioners are reporting that some of their clients did not receive a notice and registration form from the Board.

Board Chair Yee indicated that the Board does not have general authority to extend the due date of April 15. However, Ms. Yee explored options with the staff that would provide additional assistance to taxpayers. Ms. Yee stated that she did not want to add more complexities to the implementation.

In response to the suggestion of Ms. Alby, Mr. McGuire suggested a solution of filing a single request for relief of penalty at the time taxpayers are preparing the return, and to submit that form with the returns to cover all three years. Mr. McGuire indicated that staff

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would be open to being more lenient with taxpayers on these requests for relief, recognizing the circumstances that have been thrust upon them.

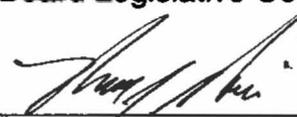
Board Member Michelle Steel asked for further clarification on the penalty imposed for returns due for 2007 and 2008, and Mr. McGuire explained that one request for relief of penalty form would cover all three years. Ms. Steel expressed a number of concerns with the legislation and the Board's implementation.

Acting Board Member Barbara Alby stated that she has received calls from legislators about the legislation who expressed surprise about its effects. Ms. Alby expressed concerns about application of the penalty, and encouraged the Board staff to waive penalties where a taxpayer did not receive notice of the registration requirement.

Committee Chair Horton concluded the discussion.

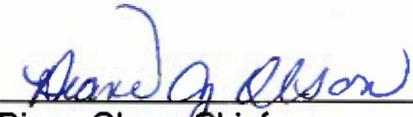
Approved: 

Mr. Jerome Horton, Chair
Board Member
Board Legislative Committee


Ramon J. Hirsig, Executive Director

BOARD APPROVED

at the April 13, 2010 Board Meeting


Diane Olson, Chief
Board Proceedings Division

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