



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0066  
916-445-5742 • FAX 916-445-1813  
www.boe.ca.gov

SEN. GEORGE RUNNER (RET.)  
First District

FIONA MA, CPA  
Second District

JEROME E. HORTON  
Third District

DIANE L. HARKEY  
Fourth District

BETTY T. YEE  
State Controller

CYNTHIA BRIDGES  
Executive Director

May 1, 2015

Honorable Jim Beall  
California State Senator  
State Capitol, Room 5066  
Sacramento, CA 95814

Subject: **BOE Support for SB 640, as Amended April 21, 2015**

Dear Senator Beall:

The **Board of Equalization (BOE) is supporting your Senate Bill (SB) 640**, which authorizes a retailer to make an irrevocable election to assign the right to file a claim for refund of excess tax reimbursement in the amount of \$50,000 or greater to a single customer so that the BOE may make a direct refund to the customer.

Current law allows retailers to collect sales tax reimbursement from their customers if the sales contract so provides. When a retailer collects more sales tax reimbursement than is due from a customer, that excess tax reimbursement must either be returned to the customer or paid to the state. The law allows the BOE to refund excess sales tax reimbursement only to the retailer; the BOE cannot issue a sales tax refund directly to the customer.

Unfortunately, some retailers neither claim a refund, nor return the excess tax reimbursement to their customers. Because the retailers are not entitled to keep the amount they overpaid to the BOE, often they lack incentive to go through the burden of filing a refund. Allowing these retailers to assign the right to claim a refund to their customers would transfer the ability to file a claim for refund to the person who would benefit directly. Thus, it would provide customers dealing with unmotivated retailers a means to obtain what they are rightfully owed in a timely fashion.

If you have any questions please contact Michele Pielsticker, Chief, Legislation and Research Division, at (916) 322-2376.

Sincerely,

  
Cynthia Bridges  
Executive Director

CB:ah