



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION  
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February 3, 2016

Honorable Bill Dodd  
Member, California State Assembly  
State Capitol, Room 2137  
Sacramento, CA 95814

Subject: **BOE SUPPORT for AB 1559, as Introduced**

Dear Assembly Member Dodd:

**The Members of the Board of Equalization (BOE) unanimously voted to sponsor your Assembly Bill (AB) 1559.** Among other things, your bill authorizes the BOE to extend for up to three months the time for a tax or fee payer to file a tax return, report and pay the tax in the case of a disaster.

**Current 10% penalty for late payments.** Currently, the Sales and Use Tax Law and the various other BOE-administered taxes, fees and surcharges require taxpayers to file tax returns on or before the last day of the month following the end of the reporting period. Persons who are late paying a tax, fee, or surcharge must pay a 10% penalty plus interest on the unpaid tax from the tax due date to the date of payment.

**Current 30-Day Extension for Taxpayers in Disaster Areas.** BOE-administered tax, fee, and surcharge statutes allow the BOE for good cause to extend up to one month the time for making any return or paying the tax due. The extension may be granted at any time, provided the request is filed with the BOE within or prior to the period for granting the extension. An extension provides the taxpayer additional time to make a return and pay the tax, and relieves the person of any late payment penalty.

**90-Day Extension Provides Equitable Relief.** The members of the BOE recognize the difficulties faced by victims of disasters and the need for additional time to handle their tax obligations. Allowing the BOE to extend the time for making any return or paying BOE-administered taxes and fees for up to 90 days provides meaningful tax relief to those taxpayers who have less presence of mind, resources, and necessary documentation under the circumstances.

If you have any questions or need additional information regarding this bill, please contact Michele Pielsticker, Chief, Legislation and Research Division, at (916) 322-2376.

Sincerely,

David J. Gau  
Chief Deputy Director

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