



FIONA MA, CPA

District 2 | California State Board of Equalization

Message from the Board Member:

A lot has happened and I hope you enjoy reading my newsletter to learn about the events, changes, and activities happening in the district! For starters, we had 23 young and enthusiastic interns work in our San Francisco office and volunteer on different projects throughout my district. I was also excited to meet the hardworking staff in our New York Office.

Additionally, we hosted a very successful meeting on the banking challenges facing our medicinal cannabis industry (see page 7 and to view the recording of this stakeholders meeting, please visit:<http://bit.ly/BankingMeeting>)

And sadly, due to our severe drought conditions, fires in California have been raging harder and longer than usual. My heart goes out to the victims affected by the wildfires in Butte, El Dorado, Humboldt, Lake, Madera, Napa, Nevada, Sacramento, San Bernardino, San Diego, Shasta, Solano, Tulare, Tuolumne, and Yolo counties. Taxpayers affected by these devastating wildfires can apply for an extension to file tax and fee returns and may also request to be relieved of interest and penalties by going to our website at www.boe.ca.gov I am forever grateful for our firefighters and first responders who are on call 24/7 to protect lives and property. As always, I am your elected official and if I can be of service, please do not hesitate to contact me at 415-557-3000 or email me at fiona.ma@boe.ca.gov.

Board Member Fiona Ma Visits the Big Apple

Board Member Ma took a bite out of the Big Apple with her recent visit to New York where she was a guest lecturer at New York University Summer Institute on Taxation and visiting the SBOE New York out of state office in Manhattan.

At the June board hearing, each member of the SBOE voted to oversee one of the out of state offices, with the New York office falling under Ms. Ma's area of responsibility. The SBOE has four field offices for out of state accounts and serves out of state businesses. They are located in Sacramento, Chicago, New York and Houston, which generate billions of dollars for California.

Below is a brief overview of the New York office's performance in Fiscal Year 2014/15

- More than \$5 billion in revenue brought into California last year, slightly above the three year average.
- Audits performed out of the New York office generated upwards of \$60 million in additional revenues for the SBOE that would have otherwise gone uncollected.
- Processed more than \$7 million in refunds for businesses.

Tax Relief Available for Business Owners Affected by Wildfires

Business owners and fee payers in Butte, El Dorado, Humboldt, Lake, Madera, Napa, Nevada, Sacramento, San Bernardino, San Diego, Shasta, Solano, Tulare, Tuolumne, and Yolo counties impacted by wildfires may request an extension to file their returns, relief of penalties and/or interest from some taxes and fees, or to replace copies of records lost to damage.

To help alleviate pressure during this stressful time, the SBOE will grant a 30-day extension for sales and use taxes due to those affected by fires in select counties. Tax and fee payers can go online to process their requests.

For more information visit
<http://www.boe.ca.gov/news/2015/65-15-G.htm>



Board Member Ma Partners with Oakland Animal Shelter at District 2 Staff Picnic

Board Member Ma was joined by her District 2 employees, friends, and their families in the first-ever joint picnic and adopt a pet event at Birch Grover Park in Newark, California on Saturday, July 11, 2015. Board Member Ma partnered with the Oakland Animal Services (OAS) for animal adoptions.

“Oakland Animal Services is an ‘Open Door’ facility that accepts all animals regardless of age, health, temperament or species and are the last resort for many animals and pet owners who need assistance,” stated Board Member Ma. “I am happy we found good homes for these puppies and kittens, but there are many other adoptable animals who need loving homes. ‘Adopting’ is one way to save a life and ‘fostering’ is way to help socialize animals outside of the shelter environment while looking for good parents or guardians.”

Close to 100 people participated in this event and five animals (two puppies and three kittens) out of eight, found their forever homes.

The Oakland Animal Services provides critical services to the community, sheltering thousands of stray animals each year, enforcing animal-related welfare laws, rescuing animals from the streets and abusive owners, promoting responsible pet ownership and humane care as well as ensuring public safety.

For the latest information on the pet adoptions, visit www.oaklandanimalservices.org.



CALPINE: The Geysers Geothermal Operation

On Monday July 6th, Board Member Ma visited Calpine’s geothermal operations in Lake County. Calpine operates over a dozen geothermal power plants in Lake and Sonoma counties high in the mountains. “The Geysers”, as they are known by locals, produce 100% renewable power. The series of plants, on the northern side of SBOE District 2, are the largest single source of geothermal power in the world. They provide power to about 500,000 people employing approximately 400 residents out of Lake, Sonoma and Napa counties.



Calpine now leads North America in the amount of “green” energy produced with 27,000 megawatts coming from clean or renewable sources every year. Board Member Ma was fortunate to be accompanied by Calpine’s Vice President of Geothermal Operations, Jim Kluesener and Manager of Government & Community Affairs, Danielle Matthews Seperas experiencing a tour of the Calpine Visitor Center, natural geothermal features, Geysers Administration Center control room, and an operating power plant.

Ma Squad Celebrates Pride



This year’s San Francisco Pride celebration was energetic and exciting. With the historic ruling from the United States Supreme Court in favor of same sex marriage happening just days before, there was much for the LGBT community to celebrate this year. On Sunday, June 28th Board Member Ma and the ‘MaSquad’ joined California Secretary of State Alex Padilla and SF Board of Supervisor Member Scott Wiener to march the Market Street parade route. Board Member Ma’s contingent sported colorful “Care Like Crazy” shirts in support of the Rock the Vote movement. Between the perfect weather, lively observers and record breaking number of marchers, this year’s SF Pride will be one to remember!

Closing the Gap in Santa Maria

Board Member Ma’s district includes 23 of 58 counties in California from the Oregon border to Santa Barbara. Her current SBOE offices are located in Fairfield, Santa Rosa, San Francisco, Oakland, San Jose, and Salinas.

Our office is committed to providing the best quality service to our constituents while reducing costs. Building a new office in Santa Maria will cost less than other areas, while reducing travel costs for both staff and hard working business owners. A regional office in Santa Maria has the potential to service over one million constituents in Santa Barbara and San Luis Obispo.

Chief Deputy, Jim Kuhl, along with Chief of Field Operations, Ray Sanguinetti, paid a visit to the region with Fresno District Administrator, Paul Duvivier, to explore some options. Staff met with Santa Maria’s leadership:

- Alice Patino**, Mayor
- Rick Haydon**, City Manager
- Jason Stillwell**, Deputy City Manager
- Lawrence Appel**, Director of Commerce
- As well as leadership from the Chamber of Commerce:
 - Glenn Morris**, President & CEO
 - Dave Cross**, Director of Economic Development

For more information on counties in District 2 visit <http://www.boe.ca.gov/ma/district.htm>

District 2 San Jose Office Lead SBOE Blood Drive Efforts

Thank you to Gloria Quiroz of the San Jose District Office who coordinated our partnership with Blood Centers of the Pacific (BCP) to organize a successful blood drive. BCP is a community-based organization that provides blood and blood components to hospitals, physicians, and patients throughout Northern California.

Over 34 people donated at the Alfred E. Alquist State building in San Jose which included Santa Clara County social workers, San Jose City Hall employees, and California State employees from Department of Workers Compensation, Department of Industrial Relations, Department of Rehabilitation, and Contractors State License Board.

Blood Centers of the Pacific helps 50,000 patients every year with blood donated by community volunteers. Thank you to the San Jose District Office for your community involvement!



Tim Morland SBOE District 2 Staff Rides for AIDS/LifeCycle

On May 18, 2015, Tim Morland, Assistant Director of Legislation and Regulatory Affairs for Board Member Ma, geared up for a long-distance bike ride that took him along the California coastline. Morland participated in the 2015 California AIDS/LifeCycle ride, a seven-day trek from San Francisco to Los Angeles. He rode a total of 545 miles from start to finish. On average, he rode about 80 miles per day.



Part of a 16-member team of cyclists from UCSF, Morland trained for two months for this adventure. He rode about 100 miles a week to train for this event getting his mileage in by ditching his car three to four days a week for his commute to and from work. Morland says he's participated in an endurance ride like this before. Last year, he joined a European bike tour sponsored by REI where he rode about 250 miles from Vienna to Prague. "It was a beautiful ride, but a lot of hills," he said. Morland helped raise funds for HIV/AIDS research and prevention. He raised \$3200, which benefits the San Francisco AIDS Foundation and the Los Angeles LGBT Center.

The ride kicked off May 31 at the Cow Palace in San Francisco. "Having the 'Ma Squad' behind me gave me extra motivation," he said.

Motorcycles Return to Hollister

Hollister celebrated this yearly pilgrimage on July 3rd thru 5th with The Hollister Freedom Rally. The annual rally brings over 45,000 bikers to the area cultivating the local economy with a population of just over 35,000. The bikers enjoyed a transformed downtown area that was full of vendors who displayed their SBOE resale certificates. The sound of live music filled the air from the three downtown stages with headliners The Fabulous Thunderbirds and the Guess Who. As far as issues, there were none except for good times by all. Check out hollisterfreedomrally.com



Helpful Hints: Social Security

Did you know that California does not tax social security income from the federal government, including survivor's benefits and disability benefits? Social security income may be partially taxable under federal law.

To determine whether or not your social security benefits are taxable for the federal return, see IRS Publication 915, Social Security and Equivalent Railroad Retirement Benefits, or IRS Publication 17, Your Federal Income Tax, Chapter 12, Social Security and Equivalent Railroad Retirement Benefits.

Disclaimer: This material has been prepared for general informational purposes only and may not reflect the most current legal developments. These informational materials are not intended, and should not be taken, as legal advice and are subject to change without notice.

Ma Squad Visits SBOE Call Center

This month, the Ma Squad visited the Board of Equalization Call Center in Sacramento. The team received a presentation on the organization and operation of the Call Center, and spent time on the phones with some of the most talented and dedicated staff in the entire SBOE!

The hardworking men and women who staff the phone lines at SBOE Call Centers field every kind of question—from run-of-the-mill calls asking for help with using SBOE’s online services, to complex questions about the technical side of California’s tax laws.



The highlight of the tour came when Ma Squad staff members jumped on the phone lines to listen in as SBOE employees provided information and assistance to everyday Californians. The Call Center is open from 8:00 am to 5:00 pm and receives more than 600,000 calls per year—that’s more than 2,000 calls per day! And even better, the average hold time for each call is less than two minutes.

Contact our call center today at 1-800-400-7115

HAPPY BIRTHDAY TO THE FOLLOWING SBOE DISTRICT 2 EMPLOYEES!

- Aug. 8 Elsy (Patricia) Cuestas
- Aug. 8 Jessica R Gosse
- Aug.10 Qianyu ‘Carey’ Guan
- Aug.16 Rocio Watteyne
- Aug.27 Amanda Narvaez-Albertolli

Johnny Hui, CPA Promoted to District Principal Auditor



Congratulations to Mr. Johnnie Hui, CPA, who was promoted to the position of District Principal Auditor for the new district office in Rancho Cucamonga. Johnnie received the good news in June and will be starting his new post in August. Johnnie started his BOE career as a Tax Auditor in Oakland District (Hayward office) in 1987. He was promoted to Associate Tax Auditor in the San Jose Office in 1990, Business Tax Specialist I in 1994, Supervising Tax Auditor I in 1999 and Supervising Tax Auditor II in 2001.

As San Jose Supervisor, Johnnie is best known for being a teacher and mentor. He took great pride in sharing his experience and knowledge with the staff in the hopes of making their jobs a little easier. Johnnie enjoys teaching so much, he works part time as an instructor at a local community college. Johnnie has also done a tremendous amount of outreach on behalf of the Chinese community. He has appeared on countless radio shows answering tax questions, serving as a key contributor speaker at Chinese tax seminars, and a trusted advisor on sales and use tax. Before leaving our district, Johnnie was awarded a certificate of recognition at the District 2 Staff Picnic from Board Member Ma to congratulate him on his promotion and to thank him for his years of services.

Congratulations to Estela for her 25 years of Public Service!



This month we got to honor one of our very own public servants for her 25 years of service with the State of California, Estela Barrientos! Estela worked for various California departments including the Department of Industrial Relations, State Compensation Insurance Fund and the State Board of Equalization, including staff to former Board Member Betty T. Yee.

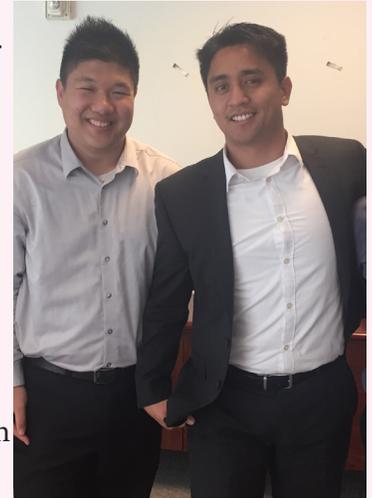
While Board Member Yee’s term of office was about to expire, Estela transferred to the Outreach Service Division of the SBOE where she currently assists Board Member Ma in scheduling and organizing small business and nonprofit seminars throughout District 2.

Public servants deserve our respect and appreciation throughout the years. Thank you Estela for all your hard work!



MA SQUAD Highlights - Team APAPA

As summer interns from the Asian Pacific Islander American Public Affairs Association (APAPA), a non-profit, non-partisan and grassroots organization with the primary mission of empowering Asian Pacific Islander (API) Americans in civic and public affairs, Huey and Hernandez were both placed in the office of Board Member Ma.



They researched and analyzed data to understand the effect SBOE revenues have on UC funding. Their dedication and hard work in the project provides invaluable insight on the effects that SBOE has on educational programs and state funding.

MA SQUAD Highlights - 2015 Interns

In June, we launched the very popular MaSquad summer internship program in the San Francisco District office. The SBOE District 2 staff serves as mentors to 23 interns with ages ranging from 13 to 27 years old.

Interns are assigned mutually beneficial projects and must complete S.M.A.R.T guidelines that outline their timelines and deliverables for their project as well as regularly scheduled meetings with their staff mentors. Some projects include: Read Aloud sessions to promote early literacy, Food Justice, Underground Economy, Financial Literacy, County Art Wall, and CaliFiona Ma intern short film documentary.

As Board Member Ma said, “Interns are an essential part of our Ma Squad operation. It not only exposes interns to what I do on a daily basis, but it also educates the interns. Young people are open to listening, to learning, to accepting new challenges, and are always very energizing”.

*For internship opportunities, contact
Genevieve.Jopanda@boe.ca.gov (415) 557-3000*

Board Member Ma Leads Stakeholder Discussion on Medicinal Cannabis Banking Issues

SACRAMENTO, CA.—State Board of Equalization (SBOE) Member Fiona Ma, as part of an ongoing outreach effort, convened a stakeholder meeting on July 31st on banking issues facing the medicinal cannabis industry. The meeting, which was attended by industry leaders, banking and finance experts, and state and Federal Reserve officials, is the first in a series of meetings to discuss challenges facing this industry. Access to banking services has emerged as one of the key challenges facing the medicinal cannabis industry.

“As we move towards a paperless society, it is unfair for a whole class of citizens to live their lives using cash and manual transactions,” said Board Member Ma. “I was very pleased with the productive and insightful conversation we had today, which is helping us craft a proposal that will address the banking issues that are keeping the medicinal cannabis industry from fully integrating into the financial system and complying with California tax law.”

Medicinal cannabis operations have been legal in California since the passage of Proposition 215 in 1996. However, given the federal government’s classification of marijuana as a Schedule I Controlled Substance, banks and credit unions cannot provide banking services to medicinal cannabis operations without risking their eligibility to participate in the FDIC or NUAC (which guarantees deposits for credit unions similar to the FDIC’s guarantee for bank deposits).

“In order to continue serving our community and for the sake of the security of our community, people who work in credit unions and banks need to have a place at the table to ensure any laws and regulations are feasible,” stated Janet Sanchez, Senior Vice President of Community Credit Union of Southern Humboldt. “This will make sure financial institutions are willing and able to participate.”

This has the effect of forcing medicinal cannabis operations to remain strictly cash operations, making compliance and enforcement of California tax law significantly more difficult. Further, medicinal cannabis operations do not have access to checking accounts, ACH transactions or credit lines to finance their day to day operations or opportunities to expand. In addition, the all-cash nature of MCD operations means that employees are paid in cash, exposing them to liability for federal and state tax withholding errors, and keeping them from participating in the Social Security program.

Finally, because the medicinal cannabis industry operates on a cash basis, employees, patients and neighborhood residents are at greater risk of violent crime.

“Medicinal cannabis is a multi-billion dollar industry, and keeping them out of the financial system simply makes no sense,” Ms. Ma added. “If they were fully integrated today, our economy would be healthier, communities would be safer and our revenues would be larger.”

To view the recording of this stakeholders meeting, please visit: <http://bit.ly/BankingMeeting>

Thank You for Your Support

If you have a tax or fee problem, or have difficulty understanding the complexity of tax laws in California, my office can help provide you with assistance and resources. Email us directly at fiona.ma@boe.ca.gov or call our offices in Sacramento at (916) 445- 4081 or in San Francisco at (415) 557- 3000.

In addition, if you want to view some of the Board decisions or watch us live at the monthly Board hearings, please access www.boe.ca.gov and choose the webcast option under Board Hearings.

Representing the interests of taxpayers in a district of more than nine million Californians, I will ensure that the agency treats all taxpayers with respect and dignity. As your SBOE representative, I will continue to ensure that taxpayers are being heard in Sacramento. It is truly an honor to serve you.

Upcoming Events

FREE Small Business & Nonprofit Tax Seminars

September 2, 2015

Sacramento Nonprofit Seminar

9:00am to 3:30pm

Universal Technical Institute Auditorium
4100 Duckhorn Drive
Sacramento, CA 95834

September 21, 2015

Santa Rosa Small Business Seminar

9:00am to 2:30pm

Sonoma County Board of Supervisors Chambers
575 Administration Drive, Room 100A
Santa Rosa, CA 95403

September 28, 2015 (2 seminars)

**Humboldt County Small Business
& Non-Profit Seminar**

9:00am to 2:30pm

Sequoia Conference Center
901 Myrtle Ave.
Eureka, CA 95501

**Humboldt County Tax Seminar for Nonprofits
& Faith-Based Organizations**

2:45pm to 5:00pm
(Same location)

October 8, 2015

Monterey Small Business Seminar

9:00am to 2:30pm

Monterey Peninsula College
980 Fremont Street
Monterey, CA 93940

November 4, 2015

**San Francisco Tax Seminar for Nonprofits
& Faith-Based Organizations**

9:00am to 3:00pm

California State Building, Milton Marks Auditorium
455 Golden Gate Avenue
San Francisco, CA 94102

Other Upcoming Events

September 1, 2015

Wine Stakeholder Meeting

Topic: Amending Regulation 1602 to include wine yeast in the definition of food products. Yeast in beer is considered tax exempt for sales tax purposes while, yeast used in the wine making process is still taxable.

How to participate: Anyone that wants to be added to the formal list and would like to be issued a discussion paper should contact Cliff Oakes at Clifford.Oakes@boe.ca.gov. The formal interested parties invitation will go out August 20th for a meeting on Sept. 1st.

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