



Economic Development Agency Economic Development Department

VIA EMAIL:

Joann.Richmond@boe.ca.gov

August 25, 2016

Ms. Joann Richmond
Chief, Board Proceedings Division
State Board of Equalization
450 N Street
PO Box 942879
Sacramento, CA 94279-0080

RE: Board Agenda Item I.3 (August 30, 2016): Support Alternative B and Request Deletion of Definition of Participation

Dear Ms. Richmond:

This public comment is provided regarding the proposed Alternative Summary Decisions, to be discussed at the Board Meeting on August 30, 2016, regarding Item I.3, Cities of Ontario, Palm Springs, San Diego, Santa Barbara and Counties of Sacramento, San Mateo, 525325, 525326.

Alternative A – Staff’s Version. However, the County suggest that the sentence beginning on page 3, line 17, also be deleted. The sentence goes far beyond the current definition for sales tax and has no basis in the law. This sentence is not necessary for the summary decision because purchase orders are clearly “participation.”

the Interested Party Regulatory Process. This would enable cities, counties, retailers and tax professionals to provide input, ideas and industry knowledge, as well as explain the problems inherent in staff’s definition in line 17.

Changing the definition will have a substantial effect on the Board’s long-standing policy of preferring allocation to the place of business of the retailer rather than to county-wide pools where the consumers are located. The cities, counties, and major California business organizations have long supported this Board policy and the numerous related changes to the regulations.

The County recommends that this Board do what the previous Board did, when it considered similar line 17 definitional language by staff, in staff’s proposed Summary Decision for The Appeal of Cities of

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Fontana, Lathrop & San Bernardino, at the oral hearing on October 30, 2013. The Board Members unanimously voted to delete the similar definitional language.

Therefore, the County strongly recommends and request the definitional language in line 17 be deleted once again and the definition be the subject matter for an Interested Parties Meeting. Likewise, staff's footnote 3 should be deleted for similar reasons, as Board Member Runner has seen fit to do in Alternative B.

Please distribute this letter to the Board Members and their staff and other appropriate parties.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mary Jane Olhasso". The signature is fluid and cursive, with the first name "Mary" and last name "Olhasso" clearly distinguishable.

Mary Jane Olhasso
Assistant Executive Officer
Finance and Administration

MJO:mdr