



STATE BOARD OF EQUALIZATION

TAXPAYERS' RIGHTS ADVOCATE OFFICE MIC: 70
450 N STREET, SACRAMENTO, CALIFORNIA 95814-0070
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0070
PHONE 1-916-324-2798 • FAX 1-916-323-3319
www.boe.ca.gov

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Fourth District, Los Angeles

JOHN CHIANG
State Controller

CYNTHIA BRIDGES
Executive Director

July 29, 2014

Mr. Frederick Burns

Dear Mr. Burns:

Thank you for your participation in the June 24, 2014, Taxpayers' Bill of Rights Hearings held in Culver City. I appreciate your taking the time to express your concerns about individuals selling without proper permits or licenses.

The Board of Equalization (BOE) is constantly striving to improve its outreach and is committed to informing the public of requirements to conduct business in California. Although not all sales are subject to sales tax, we understand that businesses without a seller's permit that sell or lease tangible personal property subject to sales tax have an unfair business advantage over those businesses that are properly registered and reporting their taxes/fees.

For this reason, the BOE created the Statewide Compliance and Outreach Program (SCOP) in which representatives from the BOE conduct door-to-door visits to nonresidential businesses to educate business owners regarding their tax responsibilities and to make sure the business has the required state tax and fee permits, based on the type of business. In addition, SCOP team members will, as a service to cities and counties, check to make sure the business has a city or county business license, if one is required.

The BOE also has an Investigations team whose job is to identify tax evasion problems, identify new fraud schemes, and actively investigate and assist in the prosecution of crimes committed by individuals who are violating the laws administered by the BOE.

A Tax Evasion Hotline (1-888-334-3300) is available for the public to use to report tax fraud to the BOE or file an anonymous complaint. Answers to frequently asked questions and information about the types of tax fraud to report to the BOE can be found on the BOE's website, www.boe.ca.gov, through the *Report Tax Fraud* and *Contact Us* links. If you wish to report a business that is operating without a required business license, please contact the city or county in which the business is operating. To assist you in reporting violations of state or federal laws not administered by the BOE, I am enclosing BOE publication 160, *Where to File California and Federal Investigative Complaints*.

Thank you again for expressing your concerns at our annual hearing. If you have any further questions regarding this matter, please do not hesitate to contact me at 1-916-324-2798. You may also contact Ms. Lauren Simpson of my staff at 1-916-445-0218.

Sincerely,

Todd C. Gilman
Chief, Taxpayers' Rights and
Equal Employment Opportunity Division

Enclosure

TCG:mz (TPD)
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cc: Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee, Board Member, First District
Senator George Runner (Ret.), Second District
Honorable John Chiang, State Controller
Ms. Marcy Jo Mandel, Deputy State Controller
Mr. Mike Gipson, Board Member's Office, Fourth District
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Mr. James Kuhl, Board Member's Office, Second District
Ms. Cynthia Bridges, Executive Director, MIC 73
Mr. David Gau, Chief Deputy Director, MIC 101
Mr. Randy Ferris, Chief Counsel, MIC 83
Mr. Randy Silva, Chief, Investigations and Special Operations Division, MIC 42
Mr. Jeffrey McGuire, Deputy Director, Sales and Use Tax Department, MIC 43
Ms. Lynn Bartolo, Chief, Special Taxes Policy and Compliance Division, MIC 57
Mr. Wayne Mashihara, Chief, Field Operations, MIC 46
Ms. Susanne Buehler, Chief, Tax Policy Division, MIC 92
Mr. Dan Leddy, Manager, Taxpayers' Rights Advocate Office, MIC 70
Ms. Lauren Simpson, Taxpayers' Rights Advocate Office, MIC 70