

M e m o r a n d u m

To : Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
Honorable Betty T. Yee
Senator George Runner (Ret.)
Honorable John Chiang

Date: April 03, 2014

From : Susanne Buehler, Chief
Tax Policy Division, Sales and Use Tax Department



Subject : **Business Taxes Committee - April 22, 2014**
Retailer Reimbursement Retention Update

At the September 2013 Board meeting, the Board directed staff to prepare a report for lumber fee data obtained through December 2013.

Staff has reviewed the data and established that 3,946 lumber fee accounts including 1,749 sub-locations are registered, for a total of 5,695 total locations that are eligible for the lumber fee reimbursement. When staff last reported to the Board, the number of registered locations was 32,608. By conducting proactive outreach to accounts that did not file or filed \$0 returns for all four quarters, staff was able to reduce the number of registered locations to the amount reported today.

For the four quarters ending December 31, 2013, revenue of \$31,943,658 has been generated and \$449,228 has been retained for reimbursement, resulting in net lumber fee revenue of \$31,494,430. Retailers that have been in business since or prior to January 1, 2013 may claim reimbursement of \$250 (authorized in Regulation 2000) plus \$485 (Regulation 2001) for a total of \$735 per location.

If you have any questions, please feel free to contact me.

SB:map

Approved: _____


Cynthia Bridges, Executive Director