



**For Immediate Release**  
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**Contact: Francis Taylor**  
**1-310-297-5201**

## **Counterfeit Crackdown Bill Heads to Governor’s Desk**

**Sacramento** – Board of Equalization Chairman Jerome E. Horton today announced that BOE-sponsored legislation to counter our state’s large-scale counterfeit goods suppliers is one step away from becoming law. [Assembly Bill 2681](#) is on its way to the governor’s desk, after the Senate voted it out on August 19, 2014.

“Leveraging both state and federal laws that allow for the prosecution of criminal bosses trafficking in counterfeit goods, this measure empowers the BOE to investigate wholesalers of counterfeit goods who distribute illegal products including contraband medicine, electronics, and construction products,” said Chairman Jerome E. Horton. “We estimate that California is losing \$8.5 billion in tax revenue to criminals operating in the underworld, and Governor Brown’s signature on this bill will provide us another tool to help recapture the hidden revenues.”

If AB 2681 is signed it will enable the state to impose sales tax on those convicted of trafficking in counterfeit goods at the wholesale level. Under current law, suppliers of counterfeit goods are able to avoid paying sales taxes, claiming their items are being sold to retailers who are then charged with paying taxes on sales to the BOE. This legislation will make convicted criminals at any level of the distribution chain liable for the sales tax.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization’s Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$56 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit [www.taxes.ca.gov](http://www.taxes.ca.gov).

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