



State Board of Equalization

# News Release

**Chairwoman Betty T. Yee**

**1<sup>st</sup> District – San Francisco**

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## **Betty T. Yee Outlines Governor's Proposed Budget for the Board of Equalization**

Betty T. Yee, Chairwoman of the Board of Equalization (BOE), today outlined the 2008-09 BOE budget as proposed by the Governor. It includes \$430.0 million for the Board of Equalization which is about \$33.0 million (8%) higher than in 2007-08, to implement measures to enhance resources to help address the overall state budget shortfall.

The Governor's proposed budget provides a total of \$34.6 million and 301 new or continuing limited term positions for revenue-generating initiatives to address tax compliance issues and to close the state's tax gap, which is the difference between taxes owed and taxes paid. The positions will generate \$129 million in total funds in 2008-09, increasing to \$193 million in total in 2009-10. The tax gap initiatives bring in additional state tax revenues that would otherwise go uncollected. The tax gap programs will concentrate on audit and collection program improvements, businesses that purchase goods without paying applicable use taxes and expedited filing of tax liens for out-of-state debtors.

The following are details to BOE funding proposed in the Governor's proposed 2008-09 budget:

**Statewide Compliance and Outreach (SCOP) Program:** The SCOP program is expected to generate \$60.2 million in FY 2008-09. Therefore, \$11.6 million is proposed for 79 new positions for the Statewide Compliance and Outreach Program (SCOP), and the continuation of 33 existing limited-term positions. The positions will generate \$60.2 million in total revenues in 2008-09, increasing to \$81.1 million total all funds in 2009-10. The SCOP identifies and registers businesses that sell goods without a seller's permit, and thereby evade payment of sales and use taxes. The additional resources will allow the SCOP to expand from two localized pilots to a statewide effort.

**Vehicles, Vessels, and Aircraft Purchased out of State:** Receipts from sales and use taxes, the state's second largest revenue source, are expected to contribute 28.4 percent of all General Fund revenues and transfers in 2008-09. The estimate for 2008-09 includes \$21 million in additional General Fund revenues from making permanent the use tax on vessels, vehicles, and aircraft brought into the state less than one year from purchase.

**E-Services Expansion:** New funding of \$4.7 million total to expand the e-services offered to tax and fee payers, such as online registration, electronic filing (e-filing). The expansion will allow on-line filing of returns for selected special tax programs. Currently, the Program is limited to on-line filing of sales and use tax returns.

For complete details of the Governor's proposed 2008-09 budget, visit: <http://www.dof.ca.gov>.

For more information on the BOE, visit: [www.boe.ca.gov](http://www.boe.ca.gov).

Chairwoman Betty T. Yee was elected to her post in November 2006. Her district includes many of California's coastal counties, from Del Norte to Santa Barbara, and includes the entire San Francisco Bay Area.

The five-member State Board of Equalization (BOE) is a publicly elected tax board. The BOE collects more than \$53 billion annually from sales and use taxes and a variety of special taxes and fees for the State of California. These include levies on cigarette and tobacco products, fuels, alcohol, and a number of environmental fees. The BOE 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.

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