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Board of Equalization Plans More Visits to Ensure Proper Registration

Four More Zip Codes Notified of Future Visits from Specialists

The third in a series of letters to retailers statewide is being sent to more than 3,000 businesses in four different zip codes throughout the state: 95827 – Sacramento; 94578 – San Leandro; 91405 – Van Nuys; and 92211 – Palm Desert. Businesses are being notified this week of upcoming visits from Board of Equalization (BOE) specialists who will be canvassing the areas to ensure they are properly registered and paying taxes. Eleven zip codes were already notified of the new enhanced compliance effort slated to begin in mid-September.

These visits are part of the new state budget authorizing the new Statewide Compliance and Outreach Program (SCOP). The goal of these visits by the specialists is to ensure all businesses are properly registered so there is no unfair business advantage over those businesses that are properly registered and reporting their taxes/fees. A recent two-year pilot, the Business License Inspection Program, estimated that over three percent of businesses operating in California do so without the appropriate permits or licenses that allow for collection of sales and use tax, as well as other taxes and fees. Non-compliance is a part of the more than \$2 billion sales and use tax gap. The tax gap is the difference between the amount of taxes owed and the amount paid.

The BOE specialists will conduct checks for seller's permits of all storefronts and other known business locations. Initially, there will be seven teams of approximately three people located throughout the state that will begin their door-to-door visits based on zip code. Registered retailers will be checked for appropriate permits and licenses as well as service industry businesses, especially if the particular service industry also sells taxable retail items. Those businesses found to be out of compliance will be given instructions on how to register with the BOE and given information about other necessary licenses.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$53 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.

[Statewide Compliance and Outreach Program](#)

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