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Board of Equalization Specialists Check Business Registrations

Businesses in Specific Areas Notified of Future Visits

The next in a series of letters to retailers have been sent to more than 2,800 businesses in two different zip codes throughout the state: 90502 – Torrance, and 92253 – La Quinta. In addition, more than 8,600 businesses will be notified in four different zip codes the week of November 17th: 94577 - San Leandro, 91340 - San Fernando, 90501 - Torrance, and 92121 - San Diego.

Businesses are being notified of upcoming visits from Board of Equalization (BOE) specialists who will be canvassing the areas to ensure they are properly registered and paying taxes. Fifteen zip codes were already notified of the new enhanced compliance effort that began in mid-September.

These visits are part of the 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. When the specialists visit, business owners will be asked business related questions and not be asked for personal financial information. If an owner has questions about the inquiries from the specialists, they should call their regional [SCOP contact](#) or the Taxpayer Information Section at 800-400-7115. 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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