State Board of Equalization
News Release

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Board of Equalization Specialists Verify Business Permits

Businesses in Specific Zip Codes Notified of Upcoming Visits

The California State Board of Equalization (BOE) sent letters to more than 8,300 retail businesses in 9 different zip codes statewide notifying them of upcoming visits by BOE specialists. The affected zip codes receiving letters this month are: Upland (91784), Chula Vista (91911), Murrieta (92563), San Jacinto (92582, 92583), Fremont (94538), Oakland (94609), Gilroy (95020), and Santa Cruz (95065).

These visits are part of the Statewide Compliance and Outreach Program (SCOP) that was launched in September 2008. BOE Specialists have visited more than 155,000 businesses statewide, with 247 zip codes receiving notifications.

The goal of the program is to verify that all businesses are properly registered, so there is no unfair business advantage over those businesses that are properly registered and reporting their taxes and/or fees. A recent two-year pilot estimated that more than 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 difference between the amount of taxes owed and the amount paid.

The BOE specialists conduct checks for seller's permits of all storefronts and other known business locations. When the specialists visit, business owners are asked business-related questions and are not asked for personal financial information. If an owner has specific questions about the inquiries from the BOE specialists, they should call their regional SCOP team contact. For general information or for forms and publications, contact the Taxpayer Information Call Center at 800-400-7115.

There are seven teams of approximately eight people each located throughout the state that conduct door-to-door visits based on zip code. Registered retailers, as well as service industry businesses, will be checked for appropriate permits and licenses. 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 (BOE) is a publicly elected tax board. The BOE collects more than $48 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.

For more information on the Statewide Compliance and Outreach Program, visit www.boe.ca.gov/sutax/SCOP_Overview.htm.

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