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BOE Partners With Industry to Combat Underground Economy

Strategic Cooperation Key to Minimizing Revenue Loss

Accelerating efforts to combat the loss of revenue to unregulated and/or illegal sales of goods and services, Members of the Board of Equalization (BOE), legislators, and industry leaders met today at the State Capitol to find collaborative solutions aimed at capturing the estimated \$60 billion stolen annually from Californians through the underground economy.

Today's *Underground Economy Industry Meeting* included BOE Chairman and Fourth District Member Jerome E. Horton, BOE First District Member Betty T. Yee, representatives from the California Chamber of Commerce, and leaders representing a broad range of California industries, including electronics, fashion, motion pictures, pharmaceutical, and construction, among others.

The BOE is looking to continue partnering with stakeholders in order to marshal resources and to work smarter in a collaborative effort to stem the loss of revenue that helps fund vital services all Californians depend on, such as hospitals, roads, schools, and public safety. Since those who operate in the underground economy use the same services as taxpayers and feepayers without making the same contribution, each and every Californian is impacted by this underground activity.

The term "underground economy" refers to those individuals and businesses that deal in cash and/or use other schemes to conceal their activities, identities, and true tax liability from government licensing, regulatory, and taxing agencies. The "underground economy" includes activities that range from the sale of stolen or counterfeit products to the exploitation of victims of human trafficking.

For more information, see the BOE's Underground Economy Partnership Concept:
http://www.boe.ca.gov/meetings/pdf/P1_1_111511_Collaborative_Investigations.pdf

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$50 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.

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