

Chairman Jerome E. Horton

4th District – Los Angeles

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BOE Notifying California Retailers of Upcoming Visits
Letters Mailed to Businesses Located in 15 Zip Code Areas

Sacramento – Retailers throughout the state are receiving letters from the California State Board of Equalization (BOE) notifying them about upcoming visits from Statewide Compliance and Outreach Program (SCOP) teams. SCOP visits are intended to educate retailers about properly reporting sales and use tax, increase compliance with tax laws, and maintain outreach efforts to assure taxpayers the state’s tax system is fair and equal for all Californians.

The BOE is mailing letters to 9,943 business owners in the following zip codes: Bakersfield (93301), Baldwin Park (91706), Boulder Creek (95006), Cambria (93428), Carpinteria (93013 and 93014), Culver City (90230 and 90231), North Hollywood (91601), San Jose (95134 and 95136), San Juan Capistrano (92675 and 92691), Sutter Creek (95685), and Volcano (95689).

Eight different SCOP teams located statewide (Oakland, Sacramento, San Jose, Van Nuys, Norwalk, Irvine, Riverside, and Ventura) conduct door-to-door, in-person visits in the zip code areas they cover. It is important for retailers to understand that the BOE asks only business-related questions, and does not inquire about personal financial information. Businesses found to be operating without a seller’s permit are provided instructions on how to register with the BOE, as well as information about other necessary licenses. Home-based businesses are not visited.

Since 2008, SCOP has visited more than 369,000 businesses statewide to verify retailers are registered, and to ensure noncompliant businesses do not have an unfair advantage over registered businesses that are reporting their sales and use taxes and/or fees to BOE.

The BOE has found that nearly 98 percent of the businesses operating in California are doing so with the correct permits, and collecting the taxes and fees. However, under-reporting taxpayers, and the other two percent that are out of compliance, are among those responsible for more than \$2 billion in uncollected taxes contributing to the state’s “tax gap” – the difference between the amount of taxes owed and the amount paid, negatively impacting all state taxpayers. This may include individuals and businesses engaging in illegal activities in our state’s underground economy.

California’s underground economy deprives the state of an estimated \$8.5 billion in state sales, use, and income taxes annually through a spectrum of illegal activities, including the sales of counterfeit goods like “knock off” designer items, offering and paying for services under the table, the

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exploitation of victims of human trafficking, and smuggling goods into California without paying the required taxes.

If business owners have any questions about these upcoming visits, they may contact their local [BOE SCOP Team](#) or visit the BOE's SCOP Web page at www.boe.ca.gov/sutax/SCOP_Overview.htm.

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Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization's Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$53.7 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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