



NEWS RELEASE

**STATE BOARD
OF EQUALIZATION**

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FOR IMMEDIATE RELEASE

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CHIANG OUTLINES BOE FUNDING IN GOVERNOR'S BUDGET

John Chiang, Chair of the State Board of Equalization (BOE), announced today that the Governor's proposed 2006-07 budget includes \$371 million for the Board of Equalization – allowing the Board to continue to effectively bring in approximately one third of the state's revenue.

The Board collects more than \$44 billion from sales and use tax and a variety of special taxes and fees for the State of California. These include levies on cigarette and tobacco products, fuels, alcohol, and a number of environmental fees.

“This budget helps our agency better collect the funds that provide everything from public safety to health services for millions of Californians,” said Chair John Chiang.

The proposed budget provides 64 new positions, with most directed to bring in additional state tax revenues that would otherwise go uncollected.

One-time emergency funding of \$15 million was also added in the current fiscal year (2005-06) to repair exterior glass at the Board's downtown Sacramento headquarters building.

The following are major changes to Board funding proposed in the Governor's budget:

Agriculture Inspection Station Tax Leads: Adds 16 limited-term positions and \$1.4 million to help detect and identify untaxed property brought into the state at California Department of Food and Agriculture and California Highway Patrol inspection stations. The proposal is expected to generate \$7.4 million.

Out-of-State Tobacco Purchases Enforcement: Adds 20.5 two-year, limited-term positions and \$1.9 million to recover state tax revenues from Internet and mail order cigarette and tobacco purchases. The proposal is expected to generate \$33.8 million in revenue.

Retail Licensing Enforcement: Adds 14.5 two-year, limited-term positions and \$1.6 million to identify and register businesses making California sales without a seller's permit. This proposal is expected to generate \$12.6 million.

International Fuel Tax Agreement (IFTA)/ North America Free Trade Agreement (NAFTA) Interim Program: With federal funding, this proposal adds 11.5 limited-term positions and \$1.1 million to begin integrating Mexican trucking firms into IFTA and promote Mexican trucking firm and driver fuel tax compliance.

Valuation Factors-Biopharmaceutical and High-Tech Equipment: Adds 2 two-year,

limited-term positions and \$263,000 to team with local governments, industry representatives, and other parties to study the development of valuation factors for biopharmaceutical equipment and fixtures, and non-production computer and semiconductor manufacturing equipment.

Complete details of the Governor's proposed 06-07 budget are available at <http://www.dof.ca.gov>.

Chairman John Chiang, of Los Angeles, was elected to his first term as Fourth District Member on the State Board of Equalization in 1998, and re-elected in 2002. He was named Chair of the Board in December 2004. He also presided as Chair in 2002.

The five-member Board of Equalization is a publicly elected tax board. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and plays a significant role in the assessment and administration of property taxes.

Other Board Members include Betty T. Yee of San Francisco, Acting Member, First District; Bill Leonard of Sacramento/Ontario, Second District; Claude Parrish of Long Beach, Third District; and State Controller Steve Westly.

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