



State Board of Equalization

News Release

Judy Chu, Vice Chair

4th District – Los Angeles

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JUDY CHU SAYS BUSINESS INSPECTIONS WELL UNDERWAY

Inspectors have identified nearly 1,000 unlicensed retailers

Judy Chu, Vice Chair of the Board of Equalization (BOE), today announced results from a new retail inspection program. A team of inspectors has visited retail locations in Southeastern Los Angeles County for the past ten months to make sure businesses are registered and properly reporting sales taxes.

Retailers are required to register and hold “seller’s permits” in order to collect and report sales taxes. Nearly 1,000 of the 25,460 businesses visited in Los Angeles County were found operating without permits.

“We are working to maintain a physical presence in the marketplace, down each street and up every sidewalk” said Vice Chair Judy Chu. “For California storefronts to benefit from good roads, clean sidewalks and strong public safety, we need all businesses to register and report sales tax so we can fund these important public services.”

Beauty supplies, jewelry, food and general merchandise vendors were some of the most common types of unregistered retailers found. Once an unregistered business is identified, inspectors explain the requirements to the business owner and give them time to register. Businesses that fail to register and continue to operate without permits may receive misdemeanor citations.

BOE estimates the inspection program could result in as much as \$445 million in uncollected taxes being paid if implemented statewide.

The five-member Board of Equalization is a publicly elected tax board. The Board collects nearly \$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 plays a significant role in the assessment and administration of property taxes.

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